

## SECTION 9

# INDIA AND THE EUROPEAN UNION RELATIONS

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### AN OVERVIEW

The EU is not a very favourite area for the UPSC. There were questions related to trends in India and the EU, hurdles in India and the EU and areas of general engagement. A micro question on India's engagement with any regional European power is yet to be asked.

**Potential foresight** EU is going to be the dark horse in the UPSC in the coming years. Firstly, there is a recent rise in Indian governmental thinking for the EU and we are engaging with them on issues of national interest. Secondly, India is prioritising engagement with central and eastern European powers because till now it has only engaged with the Western Europeans and this has caused imbalanced engagement. Thirdly, with India playing an important bridge between the West and Russia in recent Ukraine crisis (for which the author has designed a separate chapter in this book), the author believes that Europe will gain dominance in the UPSC questions in the times ahead. The new design of this section with freshly written chapters will ensure one's success.





## CHAPTER

# India and the European Union—Key Drivers of the Relationship

## EVOLUTION OF INDIA AND THE EUROPEAN UNION RELATIONS

India and the European Union (EU) are natural partners as both belong to multilateral order founded on democracy. A very unique connector is both having a foreign policy on the basis of aspirations of their citizens, which also is a source of their legitimacy. India–EU relations have been historically cordial with diplomatic relations going back to 1962. The relationship had evolved only in the period after the Cold War ended. In 1996, the EU and India signed an Enhanced Partnership Agreement, leading to the first India–EU Summit in 2000 in Lisbon. India is one of the few select countries in the world with which the EU has regular summit level meetings. The 2004 Hague summit was important because here India and the EU decided to elevate the relations to the level of strategic partnership, and in 2005 agreed to a Joint Action Plan (JAP). The JAP had laid down the foundation of India–EU Strategic Partnership Agreement. Indian foreign policy views the EU as a successful block of economic and political integration but at times some policy makers in India view the EU through the lens of NATO and they feel that the EU lacks concrete multilateral commitment for India's permanent membership candidature at UNSC. This is because the EU states do not have consensus with India's candidature. They feel that there is time for India to assume global responsibilities as poverty and inequality in India is a wall against its global aspiration. The EU does recognise India as a middle-income emerging market economy where transfer of technology and trade can be a foundation of India–EU relationship.

## REFLECTIONS ON INDIA–EU SUMMIT: TOWARDS UNREQUITED LOVE

India and the EU have been holding regular annual summits. The latest summit was driven by a social media hashtag of #euindiaeksaath. The hashtag summarises the substance India and the EU have evolved in cooperation. The table below presents an analytical glimpse of stands taken by India and the EU on various dimensions of diplomatic engagement and asserts the new positions that reflect growing propensity of India and the EU as natural partners.

Dimension of engagement	Old position held by India and the EU	New position evolved by India and the EU
Democracy	Joint statements only talked of democracy	Joint statements now talk of democracy, freedom, rule of law and human rights
Growth	The EU only wanted India to do inclusive growth	The EU wants to engage with India on climate change and sustainable growth
Global institutions	The EU stated that global institutions have stood the test of time	Post-pandemic, the EU urges WHO to be more transparent in functioning

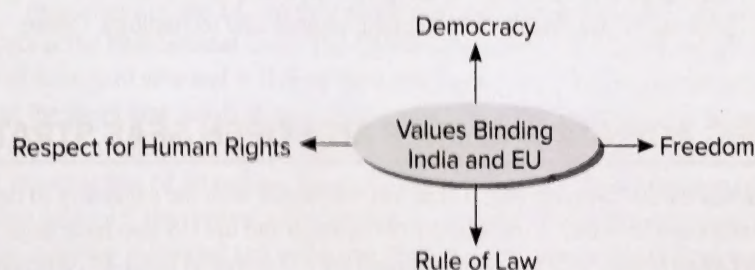


Dimension of engagement	Old position held by India and the EU	New position evolved by India and the EU
Healthcare	The EU focused on urging India to provide adequate health to its people	The EU today focuses on stepping up cooperation in medical supplies and ensure vaccine availability
Digitalisation	The EU asserted India to adopt the Western standards because Global North would set standards for all	The EU looks at setting global standards and realising that Global North has no preserve on standard settings
Indian ocean	Enhance maritime cooperation in the region with no direction	Ensure safety and stability in Indo-Pacific region

Today India attaches great importance to Europe because India realises that Europe can be an important partner to drive imperatives in green energy, technology and digitalisation. In this new world after pandemic, the old Europe still matters for India and trust remains a binding factor.

## INDIA'S DIPLOMATIC ENGAGEMENTS WITH EUROPE

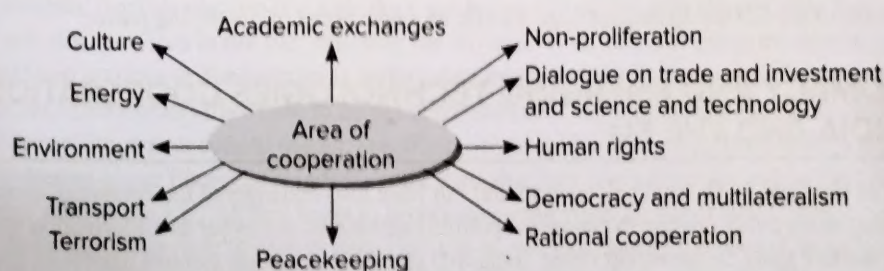
India has often looked at engaging with Europe through big powers of Europe. This policy of India has made it neglect potentialities in engagement with certain states of central Europe, namely Czechoslovakia, Hungary, Poland and Slovakia (also known as the Visegrád group). Central Europe is an area for India that it is prioritising today. From Indian perspective, we have not yet evolved continental policy for Europe and the European states do not have clarity as to what India seeks from them continentally, regionally and bilaterally.



## SHARED VALUES BINDING INDIA AND THE EU

The shared values that bind India–EU are as follows:

- Cooperation based on the shared values and democracy
- Significant contributors to peacekeeping initiatives under the UN
- Face threats of terrorism, piracy, cyber-attacks and climate change
- Have natural convergence in Afghanistan and Indo-Pacific as an external realms of threats of foreign policy





## NON-TRADITIONAL SECURITY THREATS DIPLOMACY AND CHALLENGES BETWEEN INDIA AND THE EU

Non-Traditional Security (NTS) threats are people-centric challenges that threaten their survival and well-being and range from food security to health security to energy security etc. In 2008, India–EU Joint Action Plan was adopted. India and the EU recognised the need to cooperate on peace and comprehensive security. The cooperation in peace and security did not talk about NTS. However, the NTS has been a part of the bilateral relations of the two. The reason why the Joint Action Plan of 2008 did not rightly mention the NTS was because the concept of NTS has remained uncertain in the minds of the EU officials. In 2011, at the 10th Asian Europe meet (India has been a part of ACEM since 2007) the EU explained that NTS had been perceived vaguely by the EU. But in the 10th ACEM meet (in Hungary), the EU diplomatically accepted the need to analyse NTS in detail to boost diplomatic cooperation. After 2011 meet, consensus began to develop over NTS in the EU. The EU began to define NTS as threats related to climate change, food security, water security, energy security, inclusive growth, poverty, science and technology, cultural dialogues etc. In 2011, India expanded the EU definition of NTS to add terrorism and non-state actors' threat in marine security. India, on the other hand, has a limited definition of NTS threats but does not believe that it encompasses a holistic view of food security, security policy and other challenges. India has tried to link a strong domestic economic framework to achieve objectives to tackle NTS. So, India has tried to be pragmatic in its foreign policy and tried to engage at the foreign policy level for inclusive growth, energy security, education, infrastructure etc. India also used pandemics such as H5N1, AIDS and COVID-19, as part of NTS and all this has opened up its cooperation with the EU.

However, both India and the EU do have challenges in ensuring NTS collaboration.

- a. The definition of NTS threats is still vague of the two sides and both still have not identified NTS areas of synchronisation.
- b. The Joint Action Plan has no concrete steps of cooperation. Some Indian and the EU diplomats assert that the two sides have cooperation in sustainable development, science and technology, culture but there is no mention in the JAP.

## EU'S INDO-PACIFIC AGENDA AND FREE AND OPEN SEAS STRATEGY

In 2008, the EU had launched the EU Naval Force, which was developed with the capability to deter and prevent piracy. It was designed to work with combined task force where Russia, India and the US also have ships and they all cooperate with the NATO Operation Ocean Shield. In 2016, both India and the EU prepared India–EU Agenda for 2020 document in which the two sides decided to cooperate on maritime security, countering piracy and promotion of freedom of navigation. Because 90% of India's trade is via sea, the EU also requires freedom of navigation for market access. However, the two sides do witness common threats that range from piracy problem to Pakistan–China power politics that could lead to blockade of key marine routes. In 2014, the EU released its first maritime security strategy. The strategy stated that 90% of the EU's external trade and 40% of internal trade is dependent upon sea and the EU does witness threats to marine trade from piracy to attack on marine infrastructure to state aggression on choke points. In 2015, India announced the Indian Ocean Strategy where it had defined that protection of marine territory and countering maritime terrorism was India's interest and it aimed to enhance economic, security cooperation with marine neighbours, island states to promote collective action for peaceful and a cooperative future. Today, the EU intends to play a greater role in maintaining a free and open Indo-Pacific and states of the EU are looking at Indo-Pacific as a new arena of displaying power.

## CYBER DIPLOMACY AND EMERGING TECHNOLOGIES COOPERATION BETWEEN INDIA AND THE EU

The advancements in the field of IT have helped mankind but have also endangered the economic security. Today, the nation states have been using cyber domain to pursue geopolitical ambitions, and cyber and information war have emerged as new non-kinetic warfare tools. In the recent times, India–EU and their computer systems have been affected by cyber-attacks. In 2007, websites of Estonia were targeted by distributed denial-of-service attack. In 2017, WannaCry ransomware



affected both states. The 2015 Paris attack investigations found that the weapons used in the attack sourced from deep web. In 2022, explained in a separate chapter in this segment, the Russians have resorted to use of cyber weapons against Ukraine. In 2010, India and the EU in the Annual Summit at Brussels initiated a Dialogue on Cyber Security and in 2015 a Bilateral Cyber Security Dialogue was established where

- CERT-EU and CERT-India would have operations-based dialogues.
- Counter Cyber Terrorism dialogue was established.
- India has Bilateral Security Dialogues with Germany, France and the UK.

In 2016 India–EU summit, both had decided to cooperate on Internet Governance under Digital India Programme and EU Digital Single Market Initiative. However, there are two gaps that remain to be addressed in cyber cooperation.

**Guilty by association** This means that both India and the EU have negative perceptions about each other that prevent India–EU power play. For example, India has anti-EU sentiments on cyber issues but the EU also is suspicious of India's real agenda at data localisation level. This means that both are guilty by association of each other.

**Principal policy gap** EU–Indian policy architecture is the reason for lack of India–EU cooperation as the policy has certain misunderstandings. This is why it has been suggested that both should shift to pragmatic idealism-centric diplomacy where local authority-based collaboration (means individual states) and establishment of research community can sort out differences between the two and address the policy gaps.

## GENERAL DATA PROTECTION REGULATION OF THE EU AND IMPLICATIONS ON INDIA

The General Data Protection Regulation (GDPR) was ratified by the EU in 2016 and came into effect from 2018. The GDPR replaces the 1995 regulations of the EU on data protection and comprehensively addresses the concerns related to transfer of personal data at the international level. The GDPR is targeted to give more power to the users in Europe. It empowers the residents of Europe to give and withdraw their consent for use of their personal information. Any company that holds information of the users now needs to seek their consent to retain the user data. In case of a data breach, the company has to inform the user within 72 hours so that the user can ask the company to delete the data. In case of non-compliance, the GDPR places a fine of 20 million Euros or 4% of the annual global revenue of the firm (whichever is higher). In case of children under 16, the consent of the parents is required. The GDPR applies to all 28 nations in the EU, irrespective of where the company is located and collecting the data. This means that if there is an Indian firm handling data of any EU client, it is liable for laws. More importantly, the companies based in the EU have to comply with GDPR while offering services to even those citizens who are not residents of the EU. Free flow of data is a unique feature of the globalised economy. In the last one decade, the free flow of the data has increased the global GDP by 10% and India is one of the important beneficiary states. With the GDPR in place now, it does impact India majorly. In the past few years, India has been an exporter of IT products and services that range from financial services to health analytics to the EU. While India offered these services, it collected a lot of data from the EU citizens, thus making Indian firms liable to GDPR. As per GDPR, data transfer from the EU to a non-EU state is permitted only when the non-EU state enacts national privacy legislation, which is equivalent to the law of the EU. States such as Argentina and Uruguay do have national laws but the problem is that they have same standards for all companies operating in the home country also. This hampers the development of domestic markets because if a state does not have a law at par with the EU, then there will be a limit to access financial and other services in the EU. Enacting the EU-type laws also will affect the cost of doing business for firms, which would hurt services at domestic level. India's data protection law does not pass the adequacy test in the EU. As a result of this, the Indian firms either have to accept corporate rules that bind global operations or they have to go for a special model contract agreement needed in each specific business deal with the EU. Both options require Indian firms to provide data protection as per European standards and establish a data controller who will be held liable for breach of data in the member state of the EU. All this leads to higher operating costs for small firms. This is where the question arises. If the EU has a legitimate right to protect data, can it do so without hurting interests of India? In the recent times, the EU and the USA cooperation model for data protection has a model for India. After the EU enacted their first law to protect data, the national laws of the US became inadequate. To ensure safe transatlantic data flow, the US and the EU



negotiated an agreement. Under the agreement, the American firms will protect the data of the EU citizens and also as per the EU standards but in return for unrestricted data flows. The Federal Trade Commission and American Department of Commerce will monitor the commitment of the firms. As per the laws related to trade in services (under WTO), the EU has to offer other states a comparable arrangement. India needs to take advantage of this opportunity and first create a credible institution like the one in the US. Doing so will ensure that Indian firms would not require to have any presence in the EU states and also India would not require a national privacy law which has to be stringent as per international norms. India will be free to establish a domestic standard to cater to domestic needs and also follow foreign standards to export to specific foreign markets. This will ensure that there is no conflict between developmental goal of accessing foreign services markets and improving services access to the citizens.

## EVOLUTION OF TRADE DIPLOMACY BETWEEN INDIA AND THE EU

In 2020, the EU had urged India to negotiate a Bilateral Investment Protection Agreement or BIPA, as the BIPA would delink the stalemate on FTA. The EU has recently signed a BIPA with Singapore and wishes to adopt the similar model for India. The EU feels that if BIPA is carved out of the FTA, then the commercial engagement with India can be enhanced, even if the BTIA (Bilateral Trade and Investment Agreement) or FTA is not signed. Till now, the position of the EU was that it wanted BIPA to be a part of BTIA. But now, based on its experience with Singapore, the EU wants the BIPA to be separate from the BTIA. India is yet to respond for the same. It is important to note that on 31st March 2017, India terminated all its Bilateral Investment Treaties (BIT) with the EU members and urged them to sign fresh BITs with India as per the new BIT model the Union Cabinet adopted in 2017. The EU has communicated that it will sign the BIT now as a bloc of Wuropean Union as a single unit and does not allow states of EU to individually sign BITs and this has emerged as another strain today. In 2015, India came out with a new Bilateral Investment Treaty (BIT). The new BIT of India adopts protectionist standpoint that the preference for dispute settlement as per BIT used for domestic judiciary. The BIT says that investors should litigate for 5 years in India before approaching a foreign tribunal. The EU is not happy with this due to a tardy image of Indian judiciary. Recently the EU and Singapore signed a Free Trade Agreement (FTA). For Investor State Dispute Settlement (ISDS), the FTA asserts through a provision that an investor can bring the dispute to a state's National Court where investment is made or submits the dispute to an international arbitration. Now, when the EU–Singapore FTA was to be ratified the issue erupted was who would ratify the FTA—the EU member states or the EU. This issue erupted due to ISDS provision. The European Council Judiciary pronounced that the EU could ratify the FTA except ISDS provision, which would be ratified by member states. This decision impacts India because if ISDS provision of India–EU is to be ratified by member states, then India has an edge and it can negotiate the same bilaterally. The EU can also make ISDS part of India through free trade agreement as a provision of optional protocol and facilitate this. India also does not enjoy Generalised System of Preferences Plus (GSP+) tag and that will make it difficult for India to keep its exports competitive. Because of enormous bureaucratic apathy and red tape India is not a preferred destination for the EU for trade. In 2015, the EU banned sale of 700 pharmacy products from India over quality of data from clinical trials obtained by GVK biosciences. The drugs have been sold in the EU markets without any adverse report, but in 2015, the EU regulatory agencies from France inspected GVK biosciences manufacturing plant in South India. It found data manipulation ranging of electrocardiograms for last 5 years. So, France decided to suspend drug sale as a precautionary measure. But this upset India, as its pharmacy is a flagship sector.

## INDIA–EU BILATERAL TRADE AND INVESTMENT AGREEMENT: ISSUE, CHALLENGES AND WAY AHEAD

The EU is India's largest trading block today. India–EU commercial diplomacy can be seen through the following instruments. In 1971, the EU started Generalised System of Preferences (GSP) to India enabling India to export Indian manufactured products at preferential tariff. In 1974, India–EC Commercial Cooperation Agreement was signed. In 1981, Indian–EC Commercial and Economic Cooperation Agreement was concluded. In 2004, India–EU Annual Summit began. In 2005, India–EU Joint Action Plan was signed. There has been significant Indian FDI to Europe as well. However, the European economic crises in the recent times have led to a slowdown between the two at the level of trade. Since 2007, India and the EU have been negotiating a BTIA or the FTA. However, the BTIA/FTA negotiations have not yet delivered



the results as of now. Even up till 2020, the BTIA had been stuck on a number of issues and no final agreement was reached. The tables below give us a better picture of issues confronting the BTIA.

Serial number	What does the EU want in BTIA/ FTA?	What is India's position?	Present status
(1)	Reduced tariffs in automobiles, wines and spirits	Reluctant on tariff reduction specially in automobiles	Automobiles sector is under negotiation
(2)	Higher market access in banking, retail, telecommunications and accounting services	Reluctant to grant market access in banking and retail	Banking and retail are being negotiated
(3)	Modifications in IPR in pharmacy	Totally opposed to grant only concession	Deadlock prevails

Serial number	What does India want from the EU in BTIA/FTA?	What is the EU's position?	India's present status
(1)	India wants data secure status from the EU as that will make it easy for the EU firms to outsource business to India	The EU is not keen on the same due to lack of data protection laws in India	Under negotiation
(2)	Freedom of movement of skilled professionals in the European service sector	Reluctance on opening up to skilled Indian immigration	Under negotiation

## TECHNOLOGY DIPLOMACY TEMPLATE BETWEEN INDIA AND THE EU

The origin goes back to 1958, when Germany assisted India with the development of IIT Madras. India is also a participant in International Thermonuclear Experimental Reactor (ITER) project. Under the Joint Action Plan, a Centre for European Studies has been opened in India. India has also opened Institutions for contemporary Indian Studies in Europe. The level of academic collaboration is also high due to the EU's support to India under an initiative for the development and integration of Indian and European research since 2009. The most robust science-based partnership India has is with Germany. A lot of German institutions have academic cooperation with Indian institutions, with Germany also offering vocational training to Indians.

## EU'S DEVELOPMENT DIPLOMACY AND INDIA

India and the EU have a development partnership where many of the EU nations have been providing aid to India to assist in developmental initiatives. Germany, for instance, has been giving developmental aid to India for energy efficiency and renewable energy while the UK, post-2015, has focused more on technological collaboration. More so, at a macro level, the EU supports India to help it achieve the Millennium Development Goals and at a sectoral level, advances support in health and education sectors.

## COUNTER-TERRORISM COOPERATION BETWEEN INDIA AND THE EU

Terrorism and security are two areas where India and the EU have tremendous convergence. Both sides want that terrorism, at the international level, be tackled within the larger framework of the UN. India has been a victim of terrorism for a while, and the resurgence of the ISIS in the recent times has led to Europe becoming its latest victim. In 2016–2020, attacks in Paris, Nice, Brussels, and London have made Europe extremely vulnerable to attacks. The European Security Strategy document clearly outlines the threat India and the EU face at both global and regional levels. At the bilateral level too, India's defence relations with France, the UK and Germany have improved while Russia remains the top-most players for arms supply. Both India and the EU undertakes use of multiple instruments to promote democracy and human



rights, ranging from conditionalities in the Official Development Assistance (ODA) to election observer missions, both of which India refrain to use at the international level. As of now, Europe lacks a strong policy to tackle Pakistan problem while India favours strong EU policy.

## EU-INDIA CONVERGENCE ON MULTILATERALISM AND DIVERGENCES IN GLOBAL GOVERNANCE

### Issues in the EU's Envisaged Role for India as a Global Power

The EU asserts in various Joint Statements that it has 'noted' India's intense engagement with multilateral export control regimes. What is puzzling is that the EU has used the words like 'noted' and not 'support'. Despite this, in the conceptual terms, India and the EU have transcended their rhetoric into natural partnership today to contribute to global growth

At the level of global governance and multilateralism, both India and the EU do have convergence in acceptance of an idea of a multipolar world but have different approaches to engagement with other states. While India emphasises national sovereignty, the EU on the other hand is in favour of a rule-based multilateralism model. India does not interfere in internal affairs of other nations but the EU is in favour of a rule-based multilateralism interference model. India and the EU have evolved a common platform of interaction, which is, however, not stable when it comes to global forums. For example, both India and the EU have adopted different parameters based on their respective national interests while interacting at the level of climate change, WTO and so on.

### CHINA FACTOR IN INDIA AND THE EU RELATIONS, EU'S INDO-PACIFIC FORAYS AND ROLE OF INDIA

Geographically, the EU today is the most important political actor on earth because it has the potential to drive the global political trajectory. The Europeans have always attached importance to values of democracy, freedom, rule of law and human rights and all these values have made Europe the champion of the liberal order. Today, there is a concerted attempt by the Russians and the Chinese to break this European liberal order and pierce

the ethical paradigm that defines the identity of Europe. The game began with Chinese engaging with the EU under their Belt and Road Initiative. Initially, the Europeans embraced the BRI with the hope that BRI would change the authoritarian Chinese. The Europeans were tempted by the materialism offered even at the cost of the Atlantic Project. The Chinese drive the same vehicle and use the same phones as Europeans but they do not share the same values and same principles because a convergence in the world views does not exist. The perverse conduct of masked diplomacy and wolf warrior doctrine have ended up in disturbing European sensibilities. The engagement of Europeans with the Chinese was based on the premise that European engagement with China will create a political consensus of change in Beijing but the reality is that Beijing is not interested in politics but only control of European markets. Today, if Europe splits between north, south, east or west; it will swing in some direction and what will be interesting to see is that when Europe swings, will it be an actor or will it be acted upon. Today, the Chinese through their BRI have attempted to change the shape of Asia by making Asia model on the Confucian hierarchical order with China as a middle kingdom. The only way that Europe can prevent their change of shape is by embracing India, Indonesia, Australia and Japan. This explains why many European states today are announcing strategies to engage with Indo-Pacific and this strategy is an explanation of how India can position itself as a new fulcrum of trust amongst the heart of Europeans. The Indo-Pacific is not just a frontline for the European safety and stability but also a theatre for Europe to practice the ethics of an open, rules-based order it stands for. Since the 2008 financial crisis, the world has no superpower but more of quasi-superpowers with the US, Russia and China behaving like quasi powers sometimes. This period has also seen centre of gravity shifting towards the Indo-Pacific realm. The French and British too realised that Indo-Pacific is one area when a century ago they dominated power. Today, the British and French have realised that as the US and China are locked in their own hegemonic contests, they both need to go back to Indo-Pacific, rework engagements with regional players and bring back Europe in the new arena of power contestations.

### CENTRAL EUROPEANS: THE KEY DECIDERS OF FUTURE GLOBAL ORDER

The Central Europeans are going to be the key deciders of the future here because they are the swing states and history tells us that swing states decide the global order. This is because the Central Europeans are being showered love by Chinese



and military assurances by the US, while they continue to remain economically weak. India is playing a very different game in Central Europe because it is asserting that it intends to see the region to be a rule driver of Fourth Industrial Revolution and not a rule taker. Even though India is not economically as powerful as China and the US but has a million plus digital platform architecture and laboratories for AI, Machine Learning and Big Data. The technology will make the distance barrier between India and Central Europe disappear because land routes and shipping lanes are to be replaced with bits and bytes. In this backdrop, India presents in front of Europe, in contrast to China, a room to manoeuvre. The choice for Europeans are no more binary, of the US and China, but an emerging India. The COVID-19 has unleashed a spirit of reshoring and de-coupling and exposed the fragility of globalisation. The Europeans have realised the need to de-couple and move towards developing supply chains with countries where political trust is utmost. The countries do not have to have an alignment on every dimension of engagement with others but at least need to operate on a common political and ideological spectrum and India definitely takes the lead here. As the societies now become more digitalised, individual data and individual spaces will assume centrality and countries would not prefer to engage with states they do not enjoy political trust because values will become a core binding factor in future industrial growth after the pandemic.

### **EU'S ENGAGEMENT WITH INDIA IN RESPONSE TO CHINESE BELT AND ROAD INITIATIVE**

The Chinese Belt and Road Initiative and its Maritime Silk Route component has implications for India and the EU because we see China trying to secure strategic Sea Lanes of Communication and setting up bases in Djibouti and claiming ownership in Sri Lankan ports of Colombo and Hambantota and disturb a rules-based order. This is where India and the EU can together uphold the rules-based order under stress. In South China Sea, the challenge for India and the EU is to accommodate a rising China in Indo-Pacific as China is threatening the balance of power in the region and is projecting power in Indian Ocean. During the UPA regime, Italy acted as a roadblock to India–EU cooperation over the Italian marine issue. The NDA government favoured the policy to resolve the Italian marine issue through arbitration procedures as per international tribunals.

### **KASHMIR ISSUE AND HUMAN RIGHTS VIOLATION AS AREAS OF DIVERGENCE BETWEEN INDIA AND THE EU**

Initially, the EU wanted to ensure that the UK and the USA handle Kashmir dispute. After 1972 Simla Agreement, the EU has changed its Kashmir policy and today is not supportive of Pakistan-sponsoring terrorism in the valley but also is not very positive about Indians handling of the issue. India has urged the EU that the 9/11 has exposed the true nature of Pakistan and expects the EU to strongly condemn Pakistan but as Pakistan is a frontline ally of the US against Global War on Terrorism, the EU avoids strong condemnation. The human rights is another disagreement. The EU feels that Indian security forces are responsible for human rights violations in Kashmir but India reminds the EU that security forces are operating in a space where terrorists are doing harsher security-centric killings.

### **INDIA'S OUTREACH TO THE EUROPEAN PROGRAMME AND MODI DOCTRINE FOR THE EU**

India has realised today that Europe is a source of economic capital and being the world's second largest economic entity, it is indeed India's natural partner in progress. The Modi government has initiated a new outreach to the European programme in 2016. The Prime Minister visited Germany, Spain, Russia and France. India has decided to present itself as an attractive partner to Europe. This will allow India to check China, which is trying to reach out Europe through its Belt and Road Initiative. India is trying to position itself as a balancer in Europe. As Trump has reduced the relevance of NATO in Europe by insisting that the EU should also contribute to evolve its own security; the Europeans are looking at partners to re-write their destiny. As the EU witnesses a new reordering of power structure, it provides an opportunity to India. Though China is trying to deepen its engagement with the EU due to its economic heft, but the EU may not be comfortable in embracing China due to authoritarian values. At the ideological level, India is well-positioned as a defender of liberal values and a counter narrative to China. In this age of uncertainty, India is constructing relations with the Middle



Powers in the East and the West. The world has changed in the last three centuries. The Anglo-Americans are looking at their navel whereas the Hans and the Slavs are constructing a new Eurasian coalition. It is time for India to look beyond the Anglo-Americans and the Slavs and embrace Eurasian alliances. India has taken positive steps to bring back Europe at the centre of its global consciousness. The depth in the cooperation can be judged from the fact that the Joint Statement in India–EU engagement mentions 53 paragraphs in contrast to standard 30 paragraphs since 2004. The new approach to reach out to Europe has multiple strands. First and foremost was to show the Indian flag. There have been many European states where no Indian leaders have ever visited and this is specifically true for Central Europe. In 2018, the Indian President had a state visit to Cyprus, Bulgaria and Czech Republic. Surprisingly, there are states where even senior officers of the MEA too never visited. In 2018 during the President's visit to Greece, India outlined its new diplomatic outreach to Europe. Thus, the first step, to infuse political diplomatic capital has succeeded. Secondly, the government adopted a strategy to resolve the unresolved contentious issues with the European states that had injected negativity in the ties. For instance, the long-pending Italian marines issue was a drag in India and Italy ties, which through direct diplomacy was resolved. This eventually led Rome to support India at various multilateral export control regimes and lift the political hold on Indian participation in the India–EU Annual Summit in 2016. Thirdly, the government has identified certain states in Europe and decided to strengthen the strategic hold with them. France and Russia are two core examples of this approach. Taking advantage of the change, the EU has developed 'India Strategy' document. This strategy focuses on deepening the relationship with a new strategic salience by identifying areas such as trade liberalisation, educational exchanges, and climate change and defence and security diplomacy. The strategy also seeks India–EU cooperation in the international realm from stability in Afghanistan to anti-piracy operations in Horn of Africa to food aid in Somalia under World Food Programme. Fourthly, the government has injected a new political will to break away from the colonial hangover that always affected India's relationship with Britain. The Indian Prime Minister's enthusiastic participation in bilateral diplomacy and Commonwealth has opened a new chapter of cooperation with London. Fifthly, as India reconnects with Europe it has understood the multiple forces such as religion, ethnicity and politico-economic difference that shape the destiny of various European states. For instance, as India engages with states in Central Europe, it acknowledges the complexity involved in Central Europe's relations with Germany and Russia. Similarly, when India reached out to the Nordic states, it again acknowledged their deep-seated suspicion with an assertive Russia. These perceptions in Indian foreign policy are new as none existed during the Cold War, where Europe was perceived as a singular variable. Sixthly, India is gearing up to take advantage of the changing security and strategic situation in Europe. The Trump administration has asserted that the European states need to be responsible for their own security. The European states are coming out of the security shell of the USA. Now is the time when they would be looking forward to cooperating with new partners from Eurasia to Indo-Pacific, thereby opening up new lines of strategic advance for India in the times ahead. The European states in their EU–Asia strategy have identified security as a new dimension of cooperation. The EU has identified capacity building, defence training, UN peacekeeping cooperation and joint defence exercises as a new area to cooperate. The aim of the EU is to use security cooperation with Asia to collectively emerge as a new engine for world politics and global stability.

## **MODI DOCTRINE OF INDIA'S NORDIC OUTREACH AND NORDIC SUMMIT DIPLOMACY**

In the last thirty years, for the first time India has prioritised the Nordic region in its foreign policy. In 2018, Indian Prime Minister held the first ever India-Nordic Summit and held engagements with heads of Denmark, Iceland, Finland, Norway and Sweden. India's initial diplomatic focus was primarily on the West and four core European powers such as Britain, Germany, France and Russia. Despite having complementarities at the political and economic level, the Nordic region remained disconnected from Indian foreign policy. The Bofors scandal also played an irritant in India to explore the relations with Sweden again. Even from the Nordic states perspective, their priority remained on trying to manage their identity with the EU and India was not a priority for them too. The world order is witnessing a massive change now. China and Russia are trying to re-write the rules of global governance to influence geopolitics as per their advantage and India in the meantime has emerged as a new powerhouse with renowned democratic credentials. This changing global narrative has compelled the Nordic states to establish a strong partnership with India. In India's outreach to Nordic, Sweden is the centre of gravity. The two sides have decided to re-work their relationship in the defence sector. Sweden has proposed Saab Group's Gripen-E-Single engine jet fighters for the Indian Air Force. Sweden and India have explored a bilateral



agreement for three core areas—cyber security, exchange of classified information and private sector supply chains for defence and aerospace equipment for small and medium enterprises. The two sides have adopted a Joint Action Plan and Joint Innovation Partnership Pact (to establish an innovation ecosystem for climate change and sustainable development). The government of Sweden is going to provide 59 USD million for smart cities and sustainability through innovation. The first India–Nordic Summit 2018 has explored dimensions of cooperation that range from health, skill development energy, global security and sustainable development. The Nordic countries have also decided to voice their concerns on challenges that emanate from the changing global order. To uphold rules-based international order, the Nordic states have supported India's membership at the NSG, despite the fact that these Nordic states sometime back had strong opposition to India's nuclear programme.

## GREEN ENERGY, EMERGING TECHNOLOGIES AND CIVIL SOCIETY-BASED DIPLOMACY AS FUTURE TEMPLATES

At the trade level, India has two strategies to adopt in the future. First, India can continue to liberalise the other areas of cooperation while it may freeze the talks on data localisation issue. Second, India must sign the BIPA immediately and conclude the FTA or BTIA soon. This will require India to look at the FTA from a strategic perspective, especially when India is already out of the RCEP and lacks a trade deal with the USA. India should take this opportunity because even the EU is looking for alternatives to China. At the level of technology, both sides have identified four areas of cooperation that range from 5G technologies, Artificial Intelligence, Big Data and Internet of Things. To promote cooperation in NTS, a study by Carine Barbier and Ritu Mathur says that India–EU should involve civil society organisations while establishing cooperation for funding of India–EU Joint Partnership Projects in climate and energy science. The India–EU need to evolve cooperative framework under India–EU Strategic Partnership where the EU can provide its expertise to tackle NTS threats jointly. This cooperative framework will help the two sides synchronise their cooperation. India follows a careful policy of Balance of Interest amongst major Powers and not Westphalia Balance of Power. This means that India believes that international and regional security can flourish only if all nation states converge on areas of common interest. For India and the EU, the Balance of Interest Theory helps convergence at NTS threats such as climate change, food security and inclusive growth. India and the EU need to evolve a joint understanding of marine governance and freedom of navigation from Indo-Pacific to Mediterranean. The two have to increase their navel coordination to ensure Maritime surveillance, anti-piracy operations and evolve EU–India High-Level Dialogue on Maritime Cooperation. There is a need for the two to synchronise the EU Blue Growth Strategy with India's Blue Economy Strategy to promote multilateral framework for cooperation. To foster cyber cooperation the two need to establish Joint Working Group on cyber threats. They should foster cooperation between investigation agencies and intelligence of each state. Instead of the EU pushing EU regulations as benchmarks, the EU should understand India's privacy laws and bridge data adequacy differences. They should establish a Dialogue on Internet of Things.

### The 2nd India Nordic Summit 2022

India and Nordic states organised a summit in 2022 and identified new areas of cooperation that ranged from multilateral cooperation in the post-pandemic economic recovery, climate change, sustainable development, innovation and digitalisation and green and clean growth. India's Arctic Policy announced in 2022 provides India with a new framework to engage with Nordic states and establish cooperative diplomacy models centred around blue economy.

## THE IMPORTANCE OF INDIA AND THE EU PARTNERSHIP IN POST-PANDEMIC WORLD

The preceding discussion tells us that India and the EU have common values, which for both are indeed a way of life, but they must also use these values to script a future together which is today challenged by rising authoritarianism knocking at their borders. The Chinese attempt to expand globally under the Belt and Road Initiative was not seen by the EU as a big threat because they thought that the BRI is likely to create economic opportunities for the EU states which had been struggling for finances since 2011. The BRI led the EU states to keep mum on Chinese military adventurism in Asia, its misuse of multilateral trading systems and human right violations and crackdowns on Tibetan and Uighurs. However, the recent invasion of Ukraine by Russia in 2022 has sent alarm bells ringing across the capitals of the European states on the potential dangers of dictators. The fears of technocrats and bureaucrats of the EU have become more exacerbated



after Russia and China announced a “no limits” partnership in early 2022. India too has been in a tight spot with repeated border stand-offs with China. In these times, when the largest democracies in the world are witnessing increasing threats, it is imperative for India and the EU to script a new chapter of engagement. For that to happen, India and the EU have to iron out the differences in negotiations of climate change, trade and geopolitical issues. As analysed previously, India and the EU have been struggling to conclude on a trade deal. India’s trade with the EU is 1.8% and India is at the tenth position as a trade partner with the EU whereas the Chinese trade with the EU is 16%. The limits in trade partnership are not just restricted to commercial figures but stringent emphasis on labour and environment standards in production chains that India is reluctant to work upon. At the level of climate change, in Glasgow Summit in 2021, India and China together compelled the world to adopt “phasing down” than “phasing out” of coal plants, much to the annoyance of the EU. The divergences are even further exemplified on questions of geostrategy and positions held by India and the EU on Ukraine crisis of 2022 in UNGA are a clear reflection of the same.

## **EXPLAINING THE CLUMSY TANGO IN TRADE DIPLOMACY BETWEEN INDIA AND THE EU AND WAY AHEAD**

If India and the EU have an unfulfilled partnership, then both sides are to be blamed. The EU wants to have a business-type partnership with India. Since 2014, India’s foreign policy has acquired commercial overtones and India too is open to business with all. Whenever the two sides negotiate trade, the EU instantly slides down the realm of social and environmental standards. The tone in which the Europeans discuss these appear to Indian negotiators as if they are being preached on the importance of liberal values. India does not find the tone useful in building trust because Indian negotiators believe that the EU does not respect India’s civilisational status. India also does not like the deliberate hypocrisy of the Europeans who happen to turn a blind eye on authoritarianism in China and human rights violations in Xinxiang but frequent lambasting of human rights violations and weak democracy in India. The problem is compounded further because the Europeans have done no research into negotiation styles and behaviours of India as a potential market and continue to look at India in a judgmental sense. These factors today impede India and the EU to script a new relationship based on depth and trust. India too has been complicating the story today. During the Cold War, India remained a champion of values in foreign policy. Now, India seems to place more emphasis on pragmatism in foreign policy over values. Firstly, the Europeans, being historical states, have always attached greater importance to values and this pragmatism by India is perceived by them as an incoherent policy response because pragmatism is seen by the EU as value erosion exercise. Secondly, the EU is not happy with India’s multi-alignment posture because they feel that India must truly embrace the West, liberal values and join alliances. This kind of philosophical posturing is not acceptable to India. In this backdrop, how can India and the EU script a new future? The EU must accept that the West is not the sole guardian of liberal values. The Global South also has some traditions of liberalism which are rooted in the ancient past of nation states. For this, India needs to become more explicit in owning the liberal traditions rooted in its past and must drive a narrative to support the same. Geopolitically, it is imperative for the EU to realise that India’s stand will be based more on pragmatism and national interests than on values because India is an emerging market economy and sometimes has to engage with states (like Russia for oil and arms) because of not just a historical legacy but reluctance of the Europeans and the West to support India’s developmental endeavours. Rather than being critical, it would be better for the EU to look for new avenues of cooperation with India and reduce its dependence on others and help India become self-reliant in energy through green diplomacy.





# 2

## CHAPTER

# India's Relation with France

## THE HISTORICAL BACKGROUND

India and France had a limited relationship during the colonial times, with the French having colonial settlements in some parts of India, such as Chandannagore, Yanaon, Karikal, the Coromandel and Malabar coasts and Pondicherry. However, today, it is one such country in Europe with which we have a very well-defined foreign policy. The relations between India and France are not only limited to economic interaction but are also based on other broad areas of defence, nuclear technology, strategic partnership and global partnership. Diplomatic relations between India and France have existed since 1947. The French have been old supporters of India's entry to the United Nations Security Council (UNSC). What is equally interesting is that the French have been ardent promoters of a nuclear pact with India. France supports India in Nuclear Suppliers Group and other export control regimes. Though France was not a follower of Non-Aligned Movement, Charles de Gaulle, the French President, ensured national independence and strategic autonomy in the national decision-making process of France, which was independent of the US-UK axis. In 1948, the Department of Atomic Energy in India was established. Homi J. Bhabha decided to look for foreign cooperation. Amongst the foreign players, France was the first with which India opened up nuclear cooperation. In 1960s, France helped India establish a heavy water production unit in Baroda. In 1979, the French again helped India with the establishment of a Fast Breeder Reactor at Kalapakkam. After India's peaceful nuclear test in 1974, when other nations suspended nuclear commerce with India, French continued to supply India with fuel for the Tarapur plant and continued the supply till 1992. The 1962 Indo-China conflict saw the French condemning China for its military moves along the border as they chose to side with India. In 1980, the French President Valéry Giscard d'Estaing saw India as a future potential power. In 1982, Giscard's successor, President François Mitterrand, visited India, leading to the opening up of a new partnership. Mitterrand encouraged French firms to do business with India but the French firms had an image of Indian markets being based on excessive regulation and state control. The French firms found India a difficult place to do business and thus the governments of both countries began to undertake cultural promotion to gradually ease the process. It was decided that India would promote its culture in France, enabling the French people to know more about India, which would, in turn, open up business collaboration. In 1988, I. K. Gujral was an interim Prime Minister, but he had not been able to prove his majority in the house. Jacques Chirac, despite the absence of a stable government, visited India. Later on, a new government headed by Atal Bihari Vajpayee replaced I. K. Gujral. Chirac visited India again in 1998, after the Indian nuclear tests and went on to establish a strategic partnership with India. An important dimension that emerged in the strategic partnership agreement was of defence dialogue and defence cooperation. The origin of this strategic partnership lies in a shared common history of the two nations and in France's colonial involvement with India in a limited sense. After the 1998 tests by India, UNSC condemned India while the US and Japan imposed sanctions on it. But the French did not resort to imposition of sanctions, unlike other powers. This was viewed by India very positively and also ensured that 1998 nuclear test did not emerge as an obstacle in the Indo-French relations. However, after the nuclear tests by India, a new thinking emerged in the foreign office of France. A small minority group did feel that India should not have crossed the threshold and undertaken the test. However, the majority asserted that it was better to accept India as a de facto nuclear weapon state and initiate cooperation at a civilian



nuclear level. The French knew that any nuclear cooperation with India would be difficult till the time there were to be a consensus on ending India's nuclear isolation. Consequently, the French adopted a wait-and-watch policy with a clear tilt towards envisaging a favourable civilian cooperation at the nuclear level in future. After the US negotiated a nuclear deal in 2005 with India, Jacques Chirac decided to engage with India, and in 2006, he declared in favour of nuclear cooperation with India. After Jacques Chirac, Nicholas Sarkozy, François Hollande and present President Emmanuel Macron have continued to deepen economic, defence and strategic ties.



## STRATEGIC DIPLOMACY—FRANCE AS INDIA'S GOLDBLOCKS OPTION

Emmanuel Macron has opened up new domains of cooperation with India at three levels, which include, maritime cooperation and oceanographic research, climate change cooperation and terrorism prevention through improved interoperability of forces-based cooperation. In the recent times, with the United Kingdom acting more negative towards India over Indian abrogation of Article 370 for Kashmir and Germany not having a political weight as it had earlier, France emerges as India's new all-weather friend not only in Europe but also the larger international scenario. The ability of the French to resist the US, and stand up for strategic autonomy is something that resonates with India making the two natural partners. French follow a unique policy of 'singularities' despite being a part of the Western alliances. In this case, France is India's Goldilocks option. In Europe, India does engage with Russia majorly; but, with its expulsion from G-8 and complete breakdown of Russia and its ties with the West; France emerges crucial for India as a partner in Western-dominated forums. France has called Indian abrogation of Article 370 for Kashmir as India's internal matter. This decision of France is crucial because it can help prevent any misadventure by the US or China in the UNSC. At the international level, India and France have a common identical position on issues that range from stability in Afghanistan, Iranian nuclear deal and freedom of navigation in the Indo-Pacific. One can conclude safely that after a long period of time, India has decided to shed off its Anglo-Saxon bias in foreign policy and has moved beyond a myopic Russia, the USA and China engagement to appreciate that Europe broadly and France specifically can play an important role in transforming India's position internationally. As US continues to breakdown the Cold War world order; China continues to adopt a muscular foreign policy and Russia re-emerges as a world leader; both India and France have collectively decided to work on multiple things. France, with India, is working as a bridge between Russia and the West and such a role of will enhance the global stature of the two players. Firstly, India and France have worked to construct a new coalition that can provide some strategic stability in the unstable world. Secondly, both have decided to deepen cooperation in strategic technologies that range from civilian nuclear cooperation, digital technologies and artificial intelligence under Indo-French roadmap on cyber security and digital technologies. Both will jointly protect the economic information infrastructure impacting national security as they have recognised cybercrime as a transnational crime.

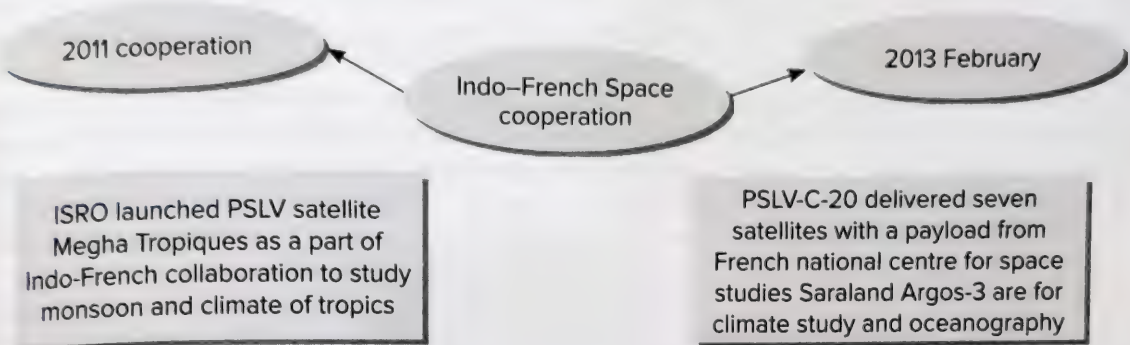
## INDIA AND FRANCE TERRORISM PREVENTION DIPLOMACY

India and France have decided to cooperate on terrorism prevention by launching the "No Money for Terror" International Conference on Fighting Terrorism Financing. There is cooperation between the intelligence agencies of the two states on preventing online radicalisation. Both nations support the Christchurch Call (an action plan developed by the West to eliminate violent extremist content online).



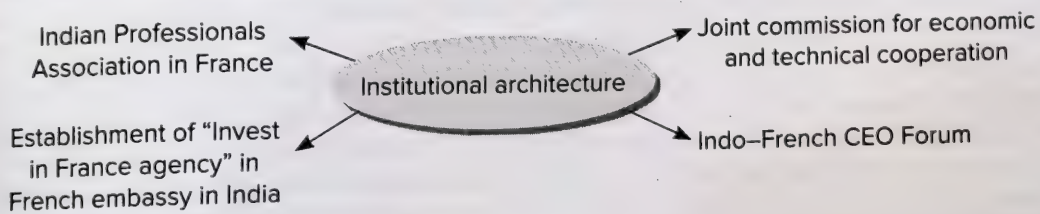
## INDIA AND FRANCE SPACE DIPLOMACY

Since 1960s, India and France have undertaken space cooperation and the Indian Space Research Organisation (ISRO) has been deeply associated with the French. Since 1981, the ISRO has been using French-made Arians rocket facilities in French Guiana. France has emerged as a partner with ISRO to send a manned mission to space and the ISRO's attempt to reach Venus. This has emerged as a new area of cooperation in planetary exploration and human space flight. France will train Indian astronauts for Indian manned space mission planned in 2022.



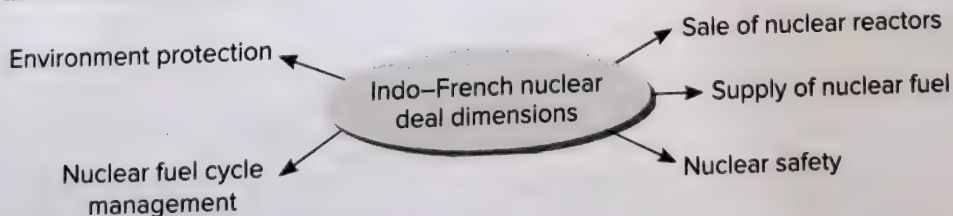
## INDIA AND FRANCE COMMERCIAL DIPLOMACY

J. R. D. Tata had developed the commercial link between India and France to a large extent. He had a unique French connection. He was born and brought up in France. Later on, he went on to become the bridge of modern Indo-French relations and after his death he was buried in Paris. The institutional architecture of the commercial structure is as follows:



## INDIA AND FRANCE NUCLEAR DIPLOMACY

In 2008, India and France concluded an agreement where Areva (the French firm) would work with the Nuclear Power Corporation of India as per a signed MoU to build 6 European Pressurised Reactors (EPR) for 10,000 MW electricity in Jaitapur to give nuclear fuel to India for 25 years.



## INDIA AND FRANCE TECHNOLOGY DIPLOMACY

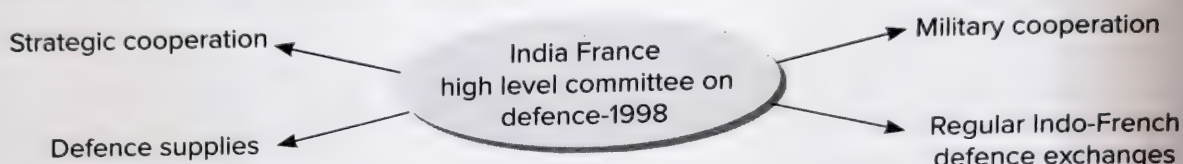
The International Thermonuclear Experiment Reactor (ITER) project was envisaged in 1980s. A final agreement was signed in 2006 at Elyse Palace while it was enforced from 2007. The ITER site is in Aix-en-Provence in France where India is an important partner country along with France. The ITER is environment-friendly and evergreen due to the fact that it uses nuclear fusion instead of nuclear fission. In a nuclear reactor, the atoms are split and power is generated. When we split atoms, it generates radioactive waste. The nuclear wastes have to be managed. In contrast, the ITER fuses the atoms.



The fusion generates waste, which is either helium or water. In the project India is contributing in creating the largest refrigerator in the world that would work at  $-269^{\circ}$  Celsius. The need for such a refrigerator is a part of the project. In the process of fusion at the ITER, a huge steel frame will be heated to a high temperature and then giant magnets would be used to release atoms that would fuse with the steel frame, generating more heat which would be used to rotate the turbine. The magnets are special super-conducting magnets, which will operate only when kept cold. The fridge would ensure the same.

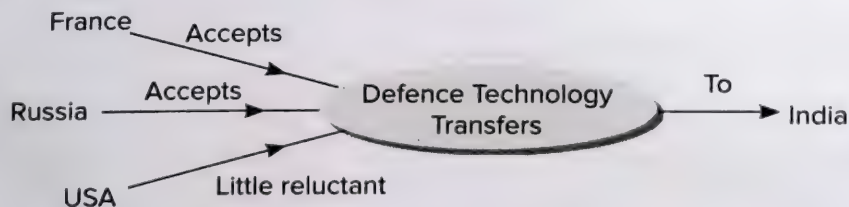
## INDIA AND FRANCE DEFENCE DIPLOMACY

The defence cooperation goes back to 1953 when the French firm Dassault equipped the Indian Air Force with hundred Toofani fighter jets called the Mystere IV. Since the 1960s, the French have been helping Hindustan Aeronautical Limited (HAL) in manufacture of Cheetah, Chetak and BDL's Milan anti-tank missile as part of defence industrial collaboration. India and France undertake large weapon procurement diplomacy. France is a leading supplier of defence equipment to India. It supplies aircrafts, helicopters, surface-to-air missiles and artillery.



India and France have established Joint Working Group on terrorism in 2001. There are more than 60 events at various levels of defence interactions between India and France. In the recent times the two sides have decided to develop IN-FRA, a joint development of new generation jet engine.

At the defence level, what works between India and France is the level of diplomatic and political trust each has on the other. Moreover, although France has been supplying some weapons to Pakistan, it has never tried an Indo-Pak hyphenation. France has always adopted the policy of dehyphenation in defence diplomacy. France also accepts that India has a defence foreign policy of diversification and shall drive its policy as per its national interests. Russia undoubtedly remains a big supplier, but the US, Israel and France are also major partners. France has no insecurity with regard to India's policy of diversification. India had signed a pact with a French firm named DCNS for technology transfer to Mazgaon Docks Limited to build Scorpene submarines. Mazgaon Dock Limited was designated as the builder. The pact with DCNS included Indo-French collaboration for six Scorpene-class submarines. A Scorpene-class submarine is known for its stealth features and can be used to launch guided attacks with torpedoes and tube-launched anti-ship missiles. In May 2016, Kalvari became the first Scorpene-class submarine that went into operation. An understanding between India and France is that France would not halt spares supply and weapon supply in war, though with respect to the US and Germany, a lot of uncertainty prevails on this point. India prefers to envisage joint development and production with players to emerge as potential partners for the future. France has accepted India's policy of co-production and development of defence equipment.

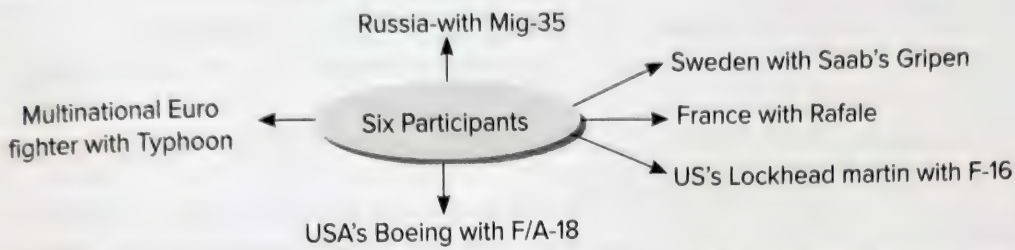


## THE RELEVANCE OF DASSAULT RAFALE FOR INDIAN AIR FORCE AND DIPLOMACY WITH FRANCE

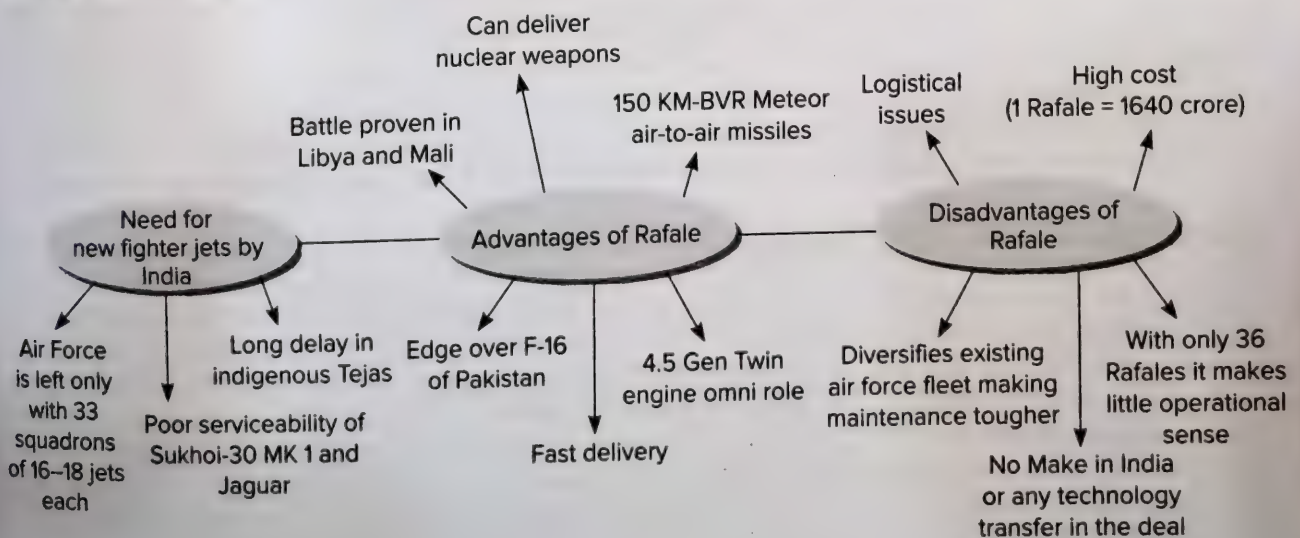
The Indian Air force (IAF) had both heavy and light fleet. In 2001, the IAF decided to procure medium-range fleet. A major part of the plan was to introduce the Medium Multi-Role Combat Aircraft (MMRCA) as part of the medium fleet. In 2007, the Defence Acquisition Council started a bid through Request for Proposal (RFP) for 126 MMRCAs. In the contract to bid for the MMRCA, six manufacturers participated. Dassault is a French firm that manufactures aircraft. Rafale is one



such Omni role aircraft (MMRCA), which can perform multiple functions. It can perform nuclear deterrence, carry out in-depth strikes and can also function as an anti-ship strike aircraft.



The IAF tested the aircrafts of all six participants and shortlisted Rafale and Euro fighter. In the final bid in 2012, Dassault won the contract for the supply of 126 Rafale MMRCAs. As per the deal, it was decided that 18 Rafale aircrafts would be purchased in a fly-away condition and the HAL in India would manufacture the rest of the 108 and France would undertake a technology transfer. The negotiations with Dassault began in 2012 and got completed in 2015. In the four years' interval, the price was being negotiated. In 2015, the earlier plan of 126 Rafale was declared economically unviable and India finally decided to take 36 Rafale jets in a fly-away condition. One of the reasons for the delay in negotiations was a disagreement on assembling the aircrafts in India. The offset clauses also emerged as an irritant. As per the Defence Procurement Policy of India, offset clause means that any foreign firm doing defence business with India has to bring some portion of the investment of the agreed amount of the deal back to India for investment here. The policy says that any defence deal above rupees 300 crores by a player means the player should invest 30% of the value in India. During the negotiations, India had been pitching that France has to participate in Make in India and thereby demanded 50% offset clause and also that France establishes two bases for Rafale in India. The French were willing to participate in Make in India but alleged that the establishment of two bases and other helmet-related modifications may escalate deal costs and finances. The French are also unwilling to agree to the demand for a 50% offset clause. India on 10th April 2015, finally announced the decision to buy 36 Rafale fighter jets which would boost for India's air power to deter China and Pakistan. In September 2016, India finally inked the Inter Government Agreement (IGA) and other associated commercial protocols with France. The Indian government has also cancelled the MMRCA project to acquire 126 fighter aircrafts in 2015 citing Indian Air Force's critical operational necessity and the need to cut time and costs to go for direct acquisitions of 36 Rafale aircrafts. As per the new deal with France, France will have to plough 50% of the contractual value back to India as per the offset clause. The 36 aircrafts will add power to the IAF, which as of now has only 31 flight squadrons against 42 sanctioned. By the 2022, Dassault and Reliance will jointly manufacture Falcon 2000 business jets together.





<b>4th Generation</b>	Technology and design is based on 1980s. They use avionics and basic radars and are used globally.
<b>4.5th Generation</b>	Use 4th generation airframe but advanced avionics developed in 1990s.
<b>5th Generation</b>	Cutting edge stealth technology based on supersonic cruise, for example F-22 Raptor of the US.

## **CLIMATE CHANGE DIPLOMACY: INTERNATIONAL SOLAR ALLIANCE (ISA)—ONE WORLD, ONE SUN, ONE GRID**

India and France launched the ISA in 2015, after the UN Climate Change Conference in Paris. In November 2016, it was opened for signatures at Marrakesh, Morocco. An International Agency for Solar Policy and Application has been established as the headquarters in India. The deliberate reason of launching the ISA at Paris climate meet was to signify the intent of the developing states to tackle climate change. The target of India is to install 100 GW solar power by 2022. This would reduce emission intensity by 3–35% by 2030. The objective of the ISA is to develop solar energy through world cooperation by focusing upon 121 countries between Tropic of Cancer and Tropic of Capricorn. As of today the ISA is an international treaty-based organisation; it has geopolitical advantages for India, as India is able to display its global leadership commitments. ISA will transform India into a technical hub with manufacturing of solar technologies and syncs well with Make in India. The ISA and One-Planet Summit of India have enabled India to create a space to engage with major powers and leverage the intent and scale of technologies. The ISA is a clear example of India's leading power ambitions.

## **INDIA AND FRANCE COOPERATION IN MARITIME SECURITY**

In the recent times, due to rising global trade, Indian Ocean has acquired a new strategic significance in Indian foreign policy. Even though India is striving hard to position itself as a reliable player in the region, its entire Indian Ocean policy suffers from one deficiency. India does not have a reliable partner in Indian Ocean that can help India to advance its national interests. The Joint Vision statement between India and France (signed during the Indian Prime Minister visit to France in 2018) seeks to address the concern. The statement has identified information sharing and naval exchanges as a new component in the bilateral ties. The statement is not only a consequence of India's long-term defence diplomacy with France but also a natural desire of the two states to assert themselves as states in Indian Ocean. In the absence of security architecture in Indian Ocean and the failure of ASEAN to enhance security, France has its own concerns regarding finding a reliable defence and security player in Indian Ocean. There are larger geopolitical considerations bringing India and France closer at the maritime level. They include recent reservations of France on Chinese Belt and Road Initiative (BRI) that BRI cannot be one-way. Firstly, India too has objected to BRI because of its territorial reservations through which BRI passes. Secondly, both India and France are sceptical of unilateral behaviour of the US, which is hegemonic. This is where France enters into oceanic-strategic calculus of India. The two have decided to seek interoperability at the naval level. Varuna naval exercise is a step towards interoperability. To enhance security in Indian Ocean, the two have decided to undertake maritime surveillance. This will go a long way in developing Pan-Indian Ocean Coherent Security Architecture.

## **INDIA AND FRANCE DIPLOMACY IN INDO-PACIFIC**

For France and India, the Indo-Pacific is a three-fold reality. Indo-French strategic vision on the Indo-Pacific was adopted in March 2018. This has given a tremendous boost to their navies' decadal cooperation. This has been stepped up in all aspects: information exchange through our bilateral white shipping agreement; analysis sharing, reinforced with the French liaison officer who joined IFC-IOR this very month; joint military exercises, with the increasingly complex Varuna naval exercise; and even capacity building. From this very high point, both are looking to raise the sensitivity of the information exchanged, increase interoperability and build synergy with other actors in the region to either act with or for them. First, a geographical reality, as civilisational and commercial ties have linked Africa and Asia through the Indian Ocean for centuries. Today there is what India and France collectively call a 'culture of shorelines' that unite the regional countries. Second, a national reality, as France, like India, is an Indo-Pacific rim nation and an actor in the region. Third, the Indo-Pacific is above all a strategic reality, with security, economic and environmental dimensions. Not only



is the region exposed to the threats of piracy and illegal maritime trafficking, terrorism and the security consequences of climate change, but it also lies at cross-roads of global maritime trade and digital flows, and harbours fish stocks and energy reserves that are vital for humanity. This multi-dimensional reality calls for a dedicated global approach that will enable India and France to preserve their sovereignty, protect their exclusive economic zones, guarantee respect for international law and promote multilateral solutions. The French vision of the Indo-Pacific has three pillars. The first pillar is security and it involves collectively ensuring the security and stability of this region by sharing French analyses of the maritime situation, carrying out surveillance missions, and strengthening the capacities of the region's countries. The second pillar is environment and blue economy in particular and focuses on developing marine economy in a way that is sustainable and resilient to global warming. Protecting marine biodiversity is crucial for both coastal communities. The third and last pillar is connectivity that aims to meet the region's huge needs in terms of infrastructure and harmonisation of standards. This would involve strengthening transport and digital links as well as people-to-people ties. Connectivity must be economically sustainable and respect the sovereignty of states. On blue economy, France and India have much common ground, which both need to translate into further action. Given their shared principles and values, their mutual strategic trust, their excellent cooperation already underway in several domains, France and India are ready to build and develop their Indo-Pacific agenda together for the coming years.

## THE SHORTCOMINGS/PROBLEMS OR HURDLES INDIA FACES IN ENGAGING WITH THE STATE DIPLOMATICALLY

**Issues in nuclear cooperation:** The Jaitapur nuclear power plant is in Madban village of Ratnagiri district in Maharashtra. The plant has witnessed some protests in recent times. The area on which the plant is to be established is very close to the sea. A lot of fishermen depend upon the sea for their livelihood. Once the plant is operationalised, it is expected to release a lot of hot water in the sea. The fishermen fear that this release of hot water will raise the sea temperatures, which would, in turn, affect fishing. The fish catch of Ratnagiri is exported to the EU and Japan. The release of the hot waters will affect their exports. In 2003, the region of Ratnagiri was also declared as a horticulture district and is famous for Alphonso mango. The National Environment Engineering research institute, in its report, has branded large tracts of land as barren land. This is viewed by the locals as dichotomous to the claims of government of Maharashtra. The site of Jaitapur being in a highly seismic zone adds to the existing concerns.

**Issues in ISA** Firstly, the cost of installations of the solar technologies is high. The developing states find coal plants to generate electricity cheaper. Secondly, as the US has held monopoly over the solar cells, the countries need to import them from the US. The US charges high tariffs and this increases the cost of solar energy. The research and development in the solar technologies still remains very low. The storage of solar energy remains a problem due to common and wide use of lithium batteries.





# 3

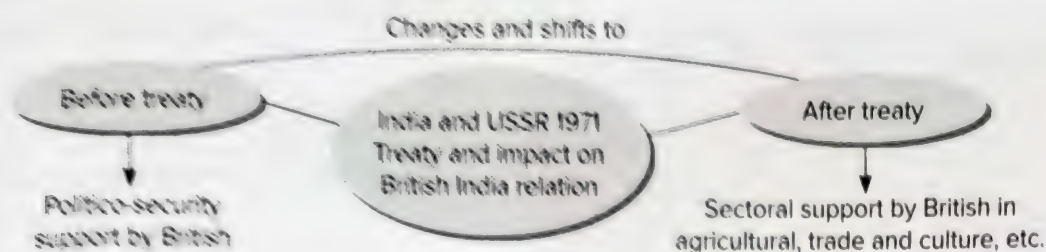
## CHAPTER

# India's Relations with the United Kingdom

## EVOLUTION OF HISTORICAL RELATIONS: FROM COLONIAL ERA TO INDO-PACIFIC COOPERATION

Great Britain or the United Kingdom (UK) was India's colonial ruler. As India became independent, the British allied with the US during the Cold War. India advocated for non-alignment and decolonisation, which did not augur well with the British. India did not favour joining any military alliances. Thus, at the international level, the two were at loggerheads with each other both politically and ideologically. The most important issue that came up was India joining the Commonwealth. When India decided to join the British Commonwealth, there was a strong reaction from the opposition in India. The opposition asserted that doing so would contradict India's non-alignment policy. However, Jawaharlal Nehru clarified that India would, firstly, join the Commonwealth as an independent nation. Secondly, it would not accept the British monarch as its head of state, but would join the body as an independent Republic. Thirdly, Nehru clarified that India, even after joining the Commonwealth, would continue to maintain its own strategic autonomy in decision-making. Indian diplomats worked tirelessly to change the rules of the game in the British Commonwealth. India ratified the Commonwealth Agreement in 1949 and joined it as a representative after 26th January 1950. Since the 1940s, the British and Indian economies were linked financially. The British had agreed that after the World War II, it would reimburse the money spent by the Indian government in the war. The amount was about 13 million Pounds, and an agreement was made that the British would return the money from 1947 to 1957. The businesses run by British firms also had to adapt to the new policies of the Indian government. The British firms and their subsidiaries that preferred to stay back faced severe competition from Indian firms and Indian Public Sector Undertakings. The British also continued to provide aid to India, both at the bilateral level and also through the Colombo Plan (launched in 1971 to provide development aid to South Asia). One concern on the foreign policy front that emerged was the question of Pakistan and Kashmir. The British approach was to maintain good relations with both nations and go for the UN-based mediation but India was visibly upset with the British for not supporting her. After Indian defeat in the 1962 conflict, India decided to go for defence modernisation. The British and the US saw it as an opportunity to make India lean towards the West. India's focus was on technical support so that suppliers could provide it arms under a licence, helping India to diversify its suppliers' range. The Russians offered what India demanded while the British linked supplies to the revival of Kashmir talks with Pakistan. India rejected the British conditionality and went ahead with its arrangement with the Russians, thereby costing the British a supply market. The 1965 war was a game changer. When India witnessed Pakistani infiltration, it retaliated with an attack on Pakistan. The attack affected the Punjab region of Pakistan. The British branded India as an aggressor and began alienating India. In 1966, India faced economic crisis. The US took it as an opportunity to advise India to undertake devaluation and adopt the International Monetary Fund (IMF) reforms package. The Bank of England did not toe the US line on this and in fact declined IMF support. It also dissented with the World Bank when it advocated India to go for devaluation. The Indo-British divergence was especially visible when India signed the Friendship Treaty with the USSR in 1971.





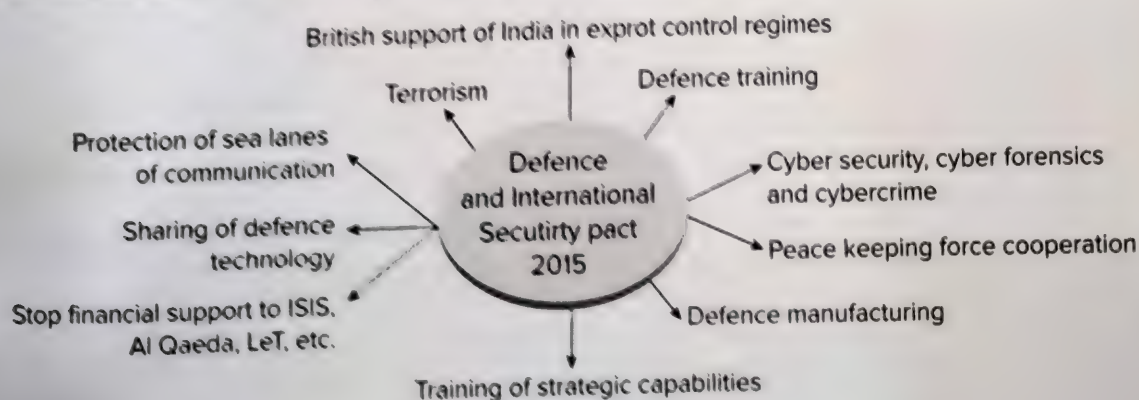
In 1968, the British decided to reduce its presence in Indian Ocean at the military level. It continued to maintain control on the Chagos Archipelago in Maldives territory. In 1966, the British had given the Chagos Archipelago atoll to the US. The US decided to establish a military base the island of Diego Garcia. The British decided to remove the residents of Diego Garcia to free it up for US use. This move gave the US a higher degree of presence in the Indian Ocean. India resented the move strongly. However, seeing strong reaction of India, the approach of the British towards Kashmir changed. The change was visible from 1970 to 1990. The British favoured bilateral negotiations. The opening up Indian economy and the end of the Cold War opened up an ocean of opportunities between India and the British. The British seized the opportunity to establish business relations with India. In 2004, the two nations concluded a Strategic Partnership Agreement while, since 1995, there has been a Defence Consultative Group formed between the two.

## INDIA'S FINANCIAL PARTNERSHIP WITH BRITAIN

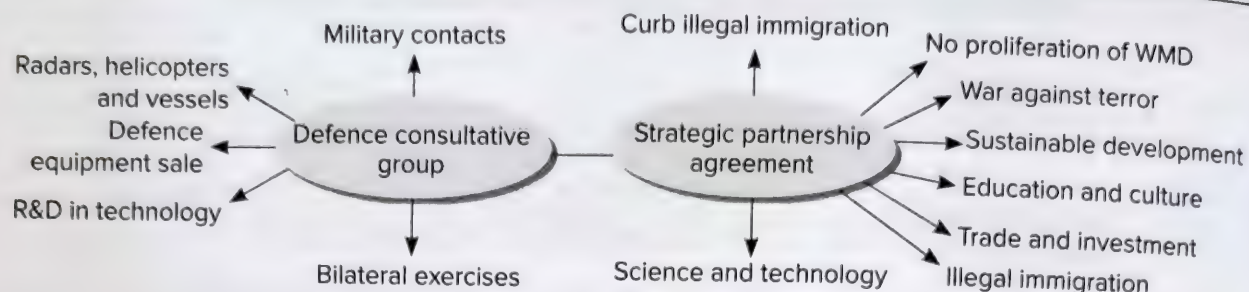
In 2014, India and the UK financial partnership was announced. The aim of the partnership was to examine priority areas of financial coordination between India and the UK. The thrust area was professional financial services industry. The UK has decided to commit financial training as a new component of financial partnership and impart work stream professional training for Chartered Accountants and other financial professionals. The UK has tied up with India's First International Financial Centre—GIFT City in Ahmedabad to train Indian professionals. The Indian diaspora in Britain is largely a supporter of the Labour party but in recent times, conservatives have made some incursions in the diaspora. An important contribution is of the BBC (British Broadcasting Corporation), which continues to promote British values to its listeners. The BBC has a well-defined audience in India and broadcasters like Mark Tully have been awarded with Padma Bhushan. The relations had improved during David Cameron's term as his idea was to approach relations bilaterally rather than taking a South Asian perspective. He also stayed away from intruding on India's internal matters, like the Kashmir issue. However, in the present reign of Boris Johnson, there has been hyphenation of India and Pakistan again. The British MPs have been negative towards Indian abrogation of Articles 370.

## DEFENCE AND INTERNATIONAL SECURITY PACT BETWEEN INDIA AND BRITAIN

A new Defence and International Security Pact was agreed in 2015.

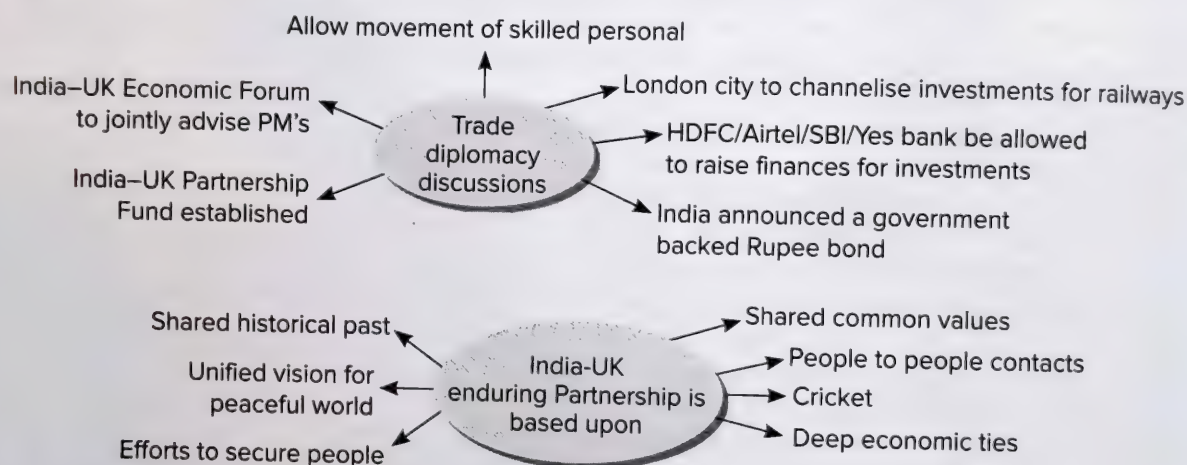






## JOINT VISION STATEMENT ON ENERGY AND CLIMATE CHANGE BETWEEN INDIA AND BRITAIN

The Joint Vision Statement between India and Britain was signed in 2015 to ensure cooperation to reduce fossil fuels consumption and focus on clean energy.



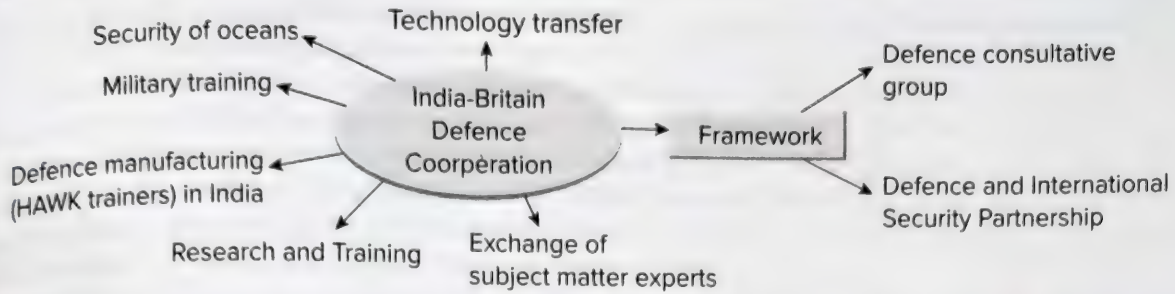
## COMMERCIAL DIPLOMACY BETWEEN INDIA AND BRITAIN

Information and communications technology, critical engineering and healthcare products are identified as areas of cooperation. The two sides agreed to use the India-UK CEO Forum to enhance cooperation in the three identified sectors. The issues related to market liberalisation and market access that may arise after Britain's exit from the European Union (EU) are to be negotiated at the Joint Economic Trade Committee (JETCO). The British firms will use JETCO to enhance their businesses with Indian partners. The London Stock Exchange has emerged as a pioneer exchange to raise offshore rupee financing instruments. There is an agreement to support the development of corporate bond market of India was agreed upon between the SBI and the London Stock Exchange group's index business, i.e. FTSE Russell. The private sector in London will contribute 500 million Pounds in the India-UK Sub Fund to support infrastructure financing under the National Investment and Infrastructure Fund. Britain has committed support for redeveloping the Varanasi Railway Station. Also, it has committed 20 million Pounds for the Start-Up India Venture Capital Fund. Over and above the 160 million Pounds has already been committed by Britain to fund 75 start-ups across India. The two sides concluded an MoU on Intellectual Property.

## DEFENCE AND INTERNATIONAL SECURITY PARTNERSHIP OF INDIA AND BRITAIN

To enhance bilateral defence cooperation, in November 2015, India and Britain had concluded Defence and International Security Partnership (DISP).





## PAKISTAN FACTOR IN INDIA-BRITAIN RELATIONS AND KASHMIR ISSUE AS DIVERGENCE DIPLOMACY

Britain's conduct with regard to developments in Jammu and Kashmir is unacceptable as it played a dubious role in the United Nations Security Council's (UNSC) closed-door meeting on Kashmir which was prepared to support a press statement by the UNSC based on a consensus, which did not emerge (China and Pakistan would have wanted it). The British were fully aware of Pakistan Prime Minister Imran Khan's declared plan to launch an intensive international campaign against India's step to nullify Article 370, which included mobilising Pakistani communities abroad to stage abusive and hate-filled demonstrations against India. Britain's foreign secretary, Dominic Raab, had made a totally unacceptable statement in Parliament on the Kashmir issue, reflecting an enduring imperial hangover. Lecturing India on respecting internationally recognised human rights showed disrespect for India's democracy. Raab has disregarded India's compulsions to take preventive steps to protect the lives of innocent Kashmiris from Pakistan-sponsored jihadis who have caused terrible mayhem in Kashmir for three decades now. The restrictions imposed by India prevent violence, not inflict it. With the Internet and social media, terrorists can promote violence through rapid mobilisation, exhortation and fake news. The British themselves are grappling with this new tool of radicalisation and instigating violence. Why does Raab think that India, with a much graver ground situation than what Britain faces, should not have these concerns? Raab sermonises, "The issue of human rights is not just a bilateral issue for India and Pakistan or a domestic issue, but an international issue". We have never claimed or accepted that the human rights issue is a bilateral one between Pakistan and us. We have all the domestic instruments of a functioning democracy to deal with human rights issues, and we do not accept international interference. Unlike Britain, and other Western countries, we have no historical baggage with regard to barbaric violations of human rights through external conquests, colonialism, racial discrimination, slavery and genocide of indigenous populations. Currently, Britain has participated in the destruction of Iraq, Libya and Syria, inflicting untold miseries on local populations. It should be careful in taking the moral high ground on human rights issues with India. Worse, Raab has insidiously introduced UNSC resolutions on the Kashmir issue in his statement by claiming that "as recognised in the UN Security Council resolutions and the Simla Agreement", India and Pakistan have to fundamentally resolve the Kashmir "dispute", forgetting that the UNSC resolutions were structured around the UN mediation; that even as late as 1961, Britain formally intervened in the Kashmir issue along with the US, and that the Simla Agreement excludes the UN or any third-party role. How does Raab mention the UNSC resolutions and the Simla Agreement in the same sentence, when they are contradictory? His unwarranted reference to the UNSC resolutions only confirms its mischievous role in the UNSC closed-door meeting. Britain seems ready to internationalise the Kashmir issue, as Pakistan wants, when it says that while Britain wants to respect India's constitutional arrangements in Kashmir, they do "have implications internationally as they touch on internationally respected and recognised human rights". This boosts Pakistan's plans to raise this issue in the Human Rights Council.

## FIVE HURDLES IN DEEPENING OF INDIA AND BRITAIN TIES

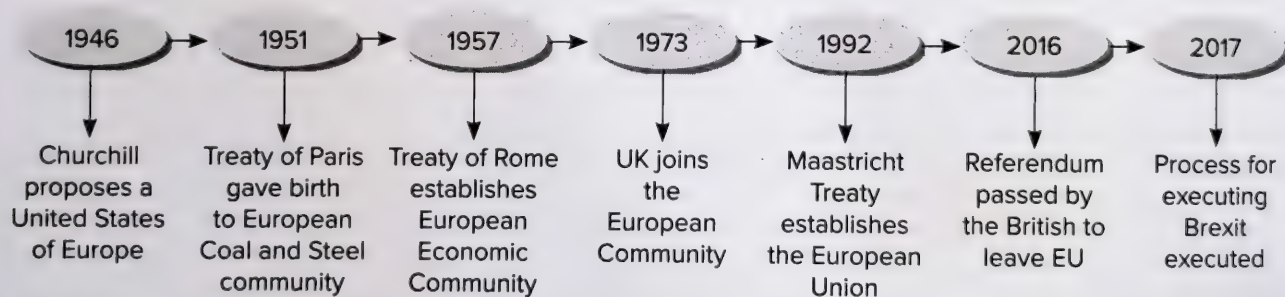
There are five major irritants. Firstly, Britain in 2018, refused to put Indian students into a special category for the visas. Even though India is not pleased with the latest stance, the British government has countered the fact by saying that in the last few years, the success rate for Indian students to seek visas was 89%. The British government exempted the Indian doctors and nurses in Tier-2 category, facilitating their easy recruitment in Britain. Secondly, India is not pleased with British decision of not proactively taking up support for extraditing economic fugitives such as Vijay Mallya and Nirav



Modi. What has intrigued India is that despite repeated requests for extradition, there have been procedural delays by the British. Thirdly, the security establishment in India is concerned that Britain is developing too much proximity with Pakistan. In 2018, London allowed its territory to be used by pro-Khalistani militants and Sikh radicals. Even though the leniency of the British towards the pro-Khalistani militants is to woo the domestic vote banks, this has emerged as a serious point of friction between the two sides. Also, in 2019, some 10,000 pro-Khalistani supporters damaged the windows and defaced the walls of the Indian High Commission in London. This was a blatant violation of Article 22 of the Vienna Convention. Fourthly, British give Indians working in Britain temporary work permits. They do not contribute to social security funds and are not allowed to avail the benefits available to citizens, which remains an unresolved issue. Fifthly, in January 2020, a Member of the European Parliament (MEP) Shaffaq Mohammad (hailing from Pakistan-Occupied Kashmir), belonging to the UK (bestowed with Order of British Empire Award 2015 for 'political service' as a councilor of Sheffield City Council), drafted a resolution for discussion in the European Parliament against the Indian Citizenship Amendment Act (CAA). The ISI of Pakistan was behind Shaffaq and they drafted the resolution which used words like "CAA could trigger the largest statelessness crisis in the world and cause widespread human suffering", despite CAA being an internal affair of India.

## BREXIT—A PROOF THAT DIVORCES ARE MORE COMPLICATED THAN MARRIAGES?

After the World War II, Germany and France began trade with each other following a mechanism that reduced trade duties. Later Germany, France, Belgium, Luxemburg and the Netherlands joined the group and began to deal in coal and steel. In 1957, the trade between the above states saw the rise of a comprehensive framework governing the trade. In the same year, the Treaty of Rome was signed, setting up the European Economic Community (EEC) as a common market. Gradually, the EEC kept on expanding and became a union of 28 states. In 1990, a meeting of the European Council was held in Rome, which initiated an inter-governmental conference on establishment of a monetary union. In 1992, the Maastricht treaty on the EU was concluded, which established the EU, aiming to ensure the free movement of people, goods, services, and capital within the internal market, enact legislation in justice and home affairs, and maintain common policies on trade, agriculture, fisheries and regional development. The British had joined the EEC in 1973 and had been a part of the EU since its inception.



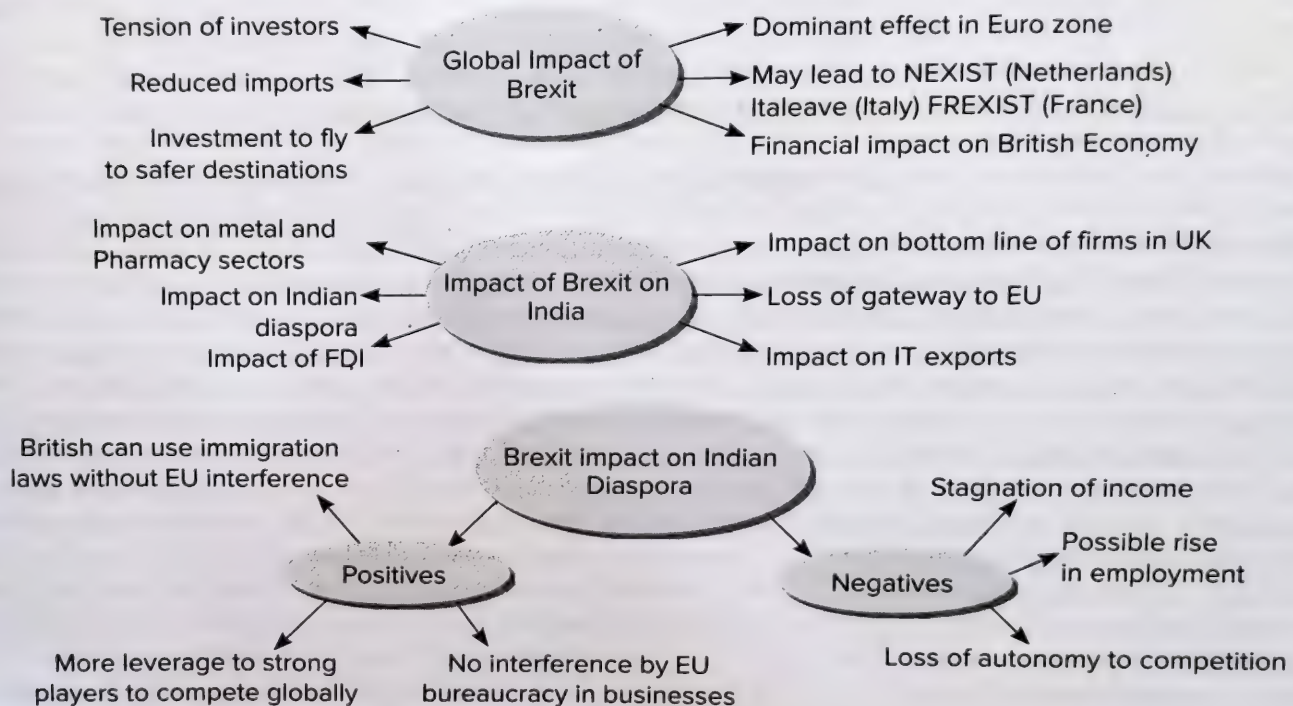
On 23rd June 2016, there was a Brexit referendum where 51.9% of the voters in the UK voted in favour of leaving the EU. One of the big reasons for a 51.9% UK vote to leave the EU was the free movement of labour in the UK. The intention to take back control on immigration was a key factor. Foreign firms would be impacted as, under the erstwhile passport scheme, a financial service firm could use another member EU state to carry out business without any extra cost that were normally associated with foreign entities. This feature will be lost now and it will create an impact.

## IMPLICATIONS OF BREXIT ON INDIA AND SPACES OF NEW COOPERATION WITH BRITAIN

Many firms used to favour the UK and over a period of time, London had become a trade hub. The procedure to leave the EU began from March 2017 and the British formally left the EU on January 2020. The British and the EU would now work out how the future relations of Britain and the EU would be by 31st December 2020. The impact of Brexit on the



Indian economy on the immediate level would be comparatively less due to a rise in agricultural production in India. The consumer industry demand in India did slow down due to demonetisation but it picked up due to the ratification of the 7th Pay Commission. The exports to and from India have fallen in the UK due to a weak demand in the Euro zone and Britain, since the Eurozone crises. Post-Brexit the possibility of dip in exports may rise as currencies will fluctuate and the real picture will only emerge upon the basis of appreciation of other currencies with the Pound. The process will also create an impact on outbound FDI from India to the UK, which today stands to be at 8% of the total FDI. As India export automobiles, it will affect our exports to the EU and the UK. The deeper impact is to be on IT exports, which constitutes the core of Indian exports to the UK. Other commodities such as metals, pharmacy, garments and financial service will also feel the pinch. As the number of the EU applications for education to the UK will fall, it will be favourable for Indian students for outbound education seekers. A depreciation of the Pound will lead to short-term gain for Indian students as the cost of education will decrease.







# 4

## CHAPTER

# India's Relations with Russian Federation

## THE EVOLUTION OF INDIA'S RELATIONSHIP WITH RUSSIA

The origin of Indo-Russian ties in the modern era can be understood through the colonial prism. The period of early nineteenth century saw the Great Game (explained in the chapter of Central Asia) being fought between the British and the Russians. The leaders of early Soviet Union were not keen on supporting the Indian national movement. The Russian leaders thought that the Indian national movement against British colonialism was a bourgeois-led movement and did not have a strong revolutionary potential. They felt that a strong revolutionary impulse was needed for fight against imperial rule, which the Indians somewhat lacked. Further, as the Indian national movement progressed, Russia got busy with their own internal concerns, as a result of which, up until the very end of the World War II, India and Russia had very limited interaction. When India became independent, it adopted the policy of non-alignment. The Non-Aligned Movement (NAM) tried to maintain ideological neutrality in the exciting era of bipolarity. In the initial years of Indian independence, up to 1953, Stalin was not very keen about India. Stalin did not appreciate the non-aligned posturing of India and perceived Indian leaders as capitalist lackeys. Things did change after the death of Stalin in 1953, and there were two issues at the global level where Soviets and Indians found space to converge. The first was Indian protest at the UN about its decision to extend the Korean War north of the 38th Parallel. The second was Indian support for the People's Republic of China to enter the UN. However, what actually acted as a factor compelling India to tilt towards the Soviets was the US. In 1954, the US established the Southeast Asia Treaty Organisation (SEATO) and in 1955 came the Baghdad Pact or CENTO. India began to perceive these two alliances as an attempt by the US to encircle India and bring the Cold War to the doorsteps of India. After the death of Stalin, with the coming of Nikita Khrushchev to power, Soviets began to view India favourably as a counterbalance in the East-West confrontation. India also responded to the changing Soviet posturing. India offered strong condemnation of Anglo-French aggression of Egypt during the Suez crisis in 1956, but did not up the rhetoric in the case of Hungarian invasion by the Soviets in 1956. Nikita Khrushchev favoured the improvement of ties with the US while Mao tried to criticise it and promote his own image as a sole representative of revolutionary movements. This difference between the Soviets and China led to Soviets favouring India during the 1959 Chinese aggression. Soviets stood along the Chinese theory that the border between India and China is a colonial legacy. After the 1962 conflict, the Soviets gave an aggressive push to defence ties with India and emerged as one of the top-most defence suppliers for India by the late 1960s. In the 1965 Indo-Pak war, India appreciated the role of the Soviets during mediation through the Tashkent Declaration. This also led to India and Russia's convergence on global issues such as the Vietnam War and Czechoslovakia. As the US explored options of undertaking rapprochements with China, India began to fear a Beijing-Washington-Islamabad axis. Henry Kissinger tried to make it clear that a future Indo-Pak conflict could also involve China. India acted hastily. Since 1969, India and the USSR were negotiating a diplomatic and strategic engagement. India speeded up the negotiations and in 1971, concluded a twenty-year India-Soviet Treaty of Peace and Friendship. The treaty gave India the needed strategic support from Russia in any eventuality of conflict. After the creation of Bangladesh in 1971, the India-Russia Treaty acted as a great strategic stabiliser for India and the region as it deterred any Chinese or American intervention unfavourable to India. In 1974, India conducted the nuclear test and the Soviets did not condemn it, in fact, it went on to support India with the supply of heavy water for the nuclear programme, which got halted when American and Canadians took back



their supplies. In 1979, when the Soviets invaded Afghanistan, India at that time in the UN General Assembly abstained from voting which had advocated that Soviets stop military intervention in Afghanistan. Domestically, within India, cutting across party lines, all parties had an understanding that relations with Russia were serving the Indian national interest and thereby needed to continue. After the disintegration of the USSR and subsequent birth of the Russian federation, the years of Boris Yeltsin in Russia saw Russia undertake rapprochements with the West again, which, in turn, affected the Russian tilt to India. However, in January 1993, Boris Yeltsin visited India and concluded the Twenty-Year Indo-Russia Friendship and Cooperation Treaty. In 1989, when Soviets withdrew from Afghanistan, it not only paved way for the rise of the Taliban in Afghanistan but also, due to Pakistani support to extremists in Afghanistan, succeeded in creating a rift in Kashmir. From the 1990s began the rise of Kashmiri extremism. Problems erupted in 1996 when the Taliban took over Afghanistan. India and Russia, along with Iran, began to support the Northern Alliance. This convergence of interests of India and Russia in Afghanistan from 1996 paved way for warming up of bilateral relations, ultimately cultivating in Strategic Partnership in 2000 which has been elevated to Special and Privileged Strategic Partnership in 2010. India and Russia share a multi-diverse partnership that is multicomponent in nature and is gradually moving into non-traditional spheres now. The relationship is wide and deep in areas that range from military cooperation, trade, space cooperation, energy sector, regional balancing and international cooperation to cultural engagement.

## **CORE DRIVERS OF INDIA AND RUSSIA RELATIONS IN THE POST-COLD WAR TIMES**

In the Post-Cold War period, there are four key drivers of Indo-Russia ties. The first is India's assertion for a multipolar world. The logic here is that the resurgence of Russia in the world and its attempt to project itself as an independent pole in the international system suits India as it will prevent any form of unipolar assertion by either the US or China. Thus, India's multipolar assertion is in sync with Russian resurgence. The second driver is that Russia is comfortable with a strong India in South Asia and this attitude of Russia gives India more space to manoeuvre its strategic policy. The third is an understanding in India that there is very little obligation to deepen ties with Russia in contrast to the US because Russia has served Indian national interests well and would continue to do so in the future. The fourth is the China factor. Indian establishment has understood two things. Firstly, that Russia has a strained relationship with the West; and secondly, it does not have the capacity as of now to punch above its weight in Europe. Thus, due to these two things, Russia is compelled to go close to China. But India knows that growing Russia and China proximity is not a threat to India because Russia uses India to balance the growing ambitions of China in Central Asia and Eurasia. As the US focuses on 'de-globalisation' and China focuses on 'Globalisation 2.0 with Chinese characteristics', for the Russian foreign policy, India has emerged as a potential geopolitical, geo-strategic and geo-economic balancer to regional and global ambitions of China.

## **RUSSIA AND INDIA IN THE POST-PANDEMIC WORLD ORDER**

The preceding analysis clearly tells us that strategic legacy is one of the strongest binders of India and Russia relations. In the post-pandemic world, the two sides have understood that a multipolar Asia and a multipolar world are in interests of both. Today, the multipolar Asia is under a threat with rising hegemony of China in Asia and American attempts to counter the same. While Russia is definitely interested in endorsing the strategic vision of multipolar Asia in the post-pandemic times; it would not favour a situation where the Chinese influence is curtailed, only to be replaced with an American influence in Asia. While Russia and India differ on relative roles of poles shaping the order, there will be a bigger picture of convergence on a multipolar world. India knows that Russia is not going to sit in the court of Emperor Beijing as a junior partner and would establish an independent worldview that will create space for India and Russia to cooperate.

## **RUSSIA'S PERCEPTION OF KASHMIR ISSUE AND DIPLOMACY OF CONVERGENCE THINKING**

Russia has consistently supported India on the Kashmir issue. In November 1955, Soviet leader Nikita Khrushchev referred to the decision taken by the Kashmir Constituent Assembly in 1953, to join the Indian Union. He remarked, "The people of Kashmir had already decided to join the Indian Union". Russia's 100th veto in the UN Security Council on June 22,



1962, was against a resolution moved by Ireland, duly backed by the US and its allies, seeking selective implementation of parts of past UN resolutions, alluding to a plebiscite in Kashmir. Interestingly, this came a year after a Soviet veto of a US-led resolution in December 1961, seeking to reverse the liberation of Goa, by India. The Soviet Union vetoed three Security Council resolutions directed against India, during the December 1971 Bangladesh conflict. Some non-permanent members, duly backed by a virtual Sino-American alliance, initiated these resolutions. The UK and France abstained from backing these resolutions. A little-known fact is that the Russians warned the Chinese against any involvement in the Bangladesh conflict, with a huge deployment of their mechanised forces and air power, along the Kazakhstan border. In 2019, when India abrogated Article 370, Russia maintained that it was an 'internal matter' of India.

## **INDIA'S ACT FAR EAST POLICY: THE VLADIVOSTOK MOMENT IN INDIA–RUSSIA RELATIONS**

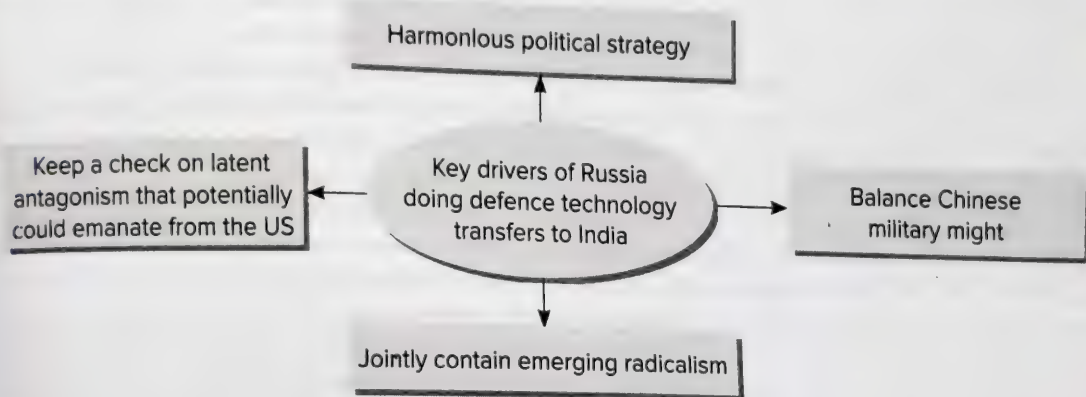
The city of Vladivostok has a special place in the hearts of Indian. This is so because in 1971, when navy of Britain and the USA threatened Indian security, Russia dispatched nuclear armed naval fleet from Vladivostok to support India. In 2019, Indian Prime Minister participated in the 20th India–Russia Annual Prime Minister Summit and 5th Eastern Economic Forum Summit in Vladivostok, Russia. The visit gave a new direction, new energy and new speed to the bilateral ties. The Far East region of Russia, which lies in Asia part of Russia, has enormous scope in deep-sea exploration, oil and gas and minerals. The region is extremely resource-rich but is underdeveloped and Russia is very keen to take advantage of shifting of centre of gravity to Asia and seek support of the Asian powers to develop the region. As of now, this region is dominated by Chinese investments as it borders China. Russia is seeking to lessen its dependence on China by diversification as part of Russian pivot to Asia strategy. One reason for Russia to invite India in Far East is also the 'Indo-Pacific'. Russia feels that India's foray into the American Indo-Pacific concept can deprive Russia of an old-time ally at the defence and strategic level, even though India has conveyed to Russia that its engagement with the US is not against Russian interests. It is important to note that Americans look at the concept of Eurasia as an attempt of the Chinese and Russian to marginalise the US in the continental space of Eurasia. This has created opportunities for India, which has announced the 'Look East, Act East Policy' and India has stated that Far East of Russia is the 'takeoff point for Act Far East'. During the visit of the Indian Prime Minister, the two sides have decided to explore direct connectivity between India and Far East region of Russia. Now, Chennai and Vladivostok cargo ships will run and this will help India bypass Europe to reach Russia. The Chennai and Vladivostok cargo ship will take only 24 days in contrast to the 40 days route via Europe. This route will require a stable South China Sea and can open up trilateral cooperation between India–Russia and Vietnam. Indian oil firms have decided to invest in Russian upstream projects in the Far East. In the Far East, India has decided to focus on oil- and gas-based energy (enabling India to bypass unstable West Asia for oil), tourism, agriculture, coal (the region has metallurgical coal, which India lacks, but is needed by the steel industry), gold and diamond mining and alternative energy. India has decided to provide 10,000 USD to fund study of Indology at the Centre of Regional and International Studies at Far Eastern Federal University. To assist the development of Far East, India has decided to commit 1 billion USD line of credit and also send doctors, engineers and teachers as the region faces the problem of lack of manpower. The presence of Indian manpower can also balance off Chinese migration in the region. From the Far East, India is going to import timber and can undertake joint collaboration with South Korea and Japan. One unique feature of Indian diplomacy in Far East is 'para diplomacy', where Indian states such as Gujarat, Uttar Pradesh and Goa have collaborated with provinces in the region to increase bilateral trade through cooperation of mid-sized and small businesses.

## **STRATEGIC SIGNIFICANCE OF RUSSIA IN INDIAN DEFENCE MARKET AND DIPLOMATIC STYLES OF NEGOTIATIONS**

The origin of defence diplomacy between India and Russia began since 1962 and since then is based on mutual trust. Today, more than 70% of Indian defence equipment is of Russian origin. These weapons have also proved their worth at a time when India needed them in conflicts. During the Cold War, to save forex, the two sides have used Rupee–Rouble agreements, which significantly contributed helping India save forex. Russia has always helped India with technology transfers. Crisis of vast Military Industrial Complexes of the Soviet after the disintegration of the USSR and their failure to sustain the complexes led India to seek alternative routes through a policy of defence diversification. India diversified and



explored the possibility of Israel and France, along with the US, acting as potential suppliers. In the first decade, following the end of the Cold War saw Russia trying to consolidate its military industrial complexes. Indian reliance on Russia will not decrease despite diversification and delays in projects because Russia remains committed to defence technology transfer and co-production, which India feels it needs for the development of its domestic defence industry. Russia and India continue to have joint development of weapons and continue to interact through institutionalised mechanisms of cooperation. The Indo-Russia defence ties have also witnessed a transformation to a model of cooperative production on shared risk partnership from the erstwhile model of a supplier-consumer relationship. Since 2007, the two are working on developing a fifth-generation combat aircraft. The MiG-35 has had India embark upon a mega defence modernisation programme. India is undertaking domestic co-production of BrahMos missile, T-90 tank and Sukhoi aircrafts. The Chinese too were not very far behind in importing Russian technology. However, the Chinese imports were not only lesser in value but also in quantity as China favoured to import only those technologies that it could clone in China. Uniquely, the cooperation with India led to no possibility of creation of unlicensed clones whereas such possibility continues to remain high for transfers done to China.



Defence has been a vital pillar of the relationship. Unlike other nations, Russia has never invoked arms sanctions on India and at critical times such as the Kargil conflict, Russia supplied items to India from their own military reserves. Indian requirements of defence products made Russia technologically more productive as it enabled creating a system of innovation that pushed Russians to produce half-a-generation more advanced equipment. There was an overall improvement in Russian aviation and missiles technology industries. This development was taken positively even by Russian defence corporate houses as it enabled them to establish long-term strategies to meet Indian requirements. The Russian corporate houses in the avionics industry used Indian orders as a springboard to spearhead innovations in engines (thrust vector controls) and radars (phased-array radars).

## RECIPROCAL EXCHANGE OF LOGISTICAL SUPPORT AGREEMENT AND PROJECT 11356

In the 1990s and early 2000s, the Indian-side placed multiple defence orders from Russia that ranged from Talwar-class frigates under Project 11356 to MiG-29K shipborne aircrafts. Indian demands spearheaded a culture of innovation in the Russian defence industrial complex to cater to advanced needs India and Russia in 2019 had signed a 3 USD billion deal where Russia would refurbish and supply an Akula-class nuclear powered attack submarine (Chakra 3) to India. In 2021, India and Russia concluded military logistics support agreement known as Agreement on Reciprocal Logistical Support (RELOS) that gives Russians the right to refuel ships and enhance sub-conventional preparedness in the waters while India gets access to Russian military facilities in the Arctic.

## THE ASSAULT RIFLE-BASED COOPERATION FOR INTERNAL SECURITY

The Indian government signed an agreement with Russia in 2019 to manufacture the AK-103 rifles for the Indian Army. Russia will manufacture the AK-103 in India. Even though Russia had sent the proposal for AK-103 to India in 2018, the deal could not be finalised because the requirement of the army was not fulfilled in the Russian proposal. In 2019, the army



announced a new proposal. The army wanted to purchase 7.62 caliber assault rifles along with an import of a small bag of 'hi-tech rifles' for frontline troops on the border. The hi-tech rifles can be imported and the rest can be manufactured in India. The AK-103 is to be manufactured domestically and would be used for hinterland and counterinsurgency operations (with a preferred caliber of 5.56 mm and a 500-meter range). The Army would also use AK-103 for paramilitary forces and also export in the long run.

## THE MINESWEEPERS, S-400 TRIUMF, SOVEREIGN GUARANTEES AND CAATSA TANGLES

### What is a Sovereign Guarantee?

Sovereign guarantee means that the company that won the contract has to by law provide a guarantee from an international bank which can be encashed by the purchaser of the product in case a delivery of the product does not happen on time despite the payments being made.

A minesweeper is a specialised warship, which is used to clear harbours and critical areas of mines, which are laid, by the submarines and vessels of the enemy states. For Indian Navy, the minesweepers are a critical deficiency as earlier it had twelve but now only one, that is, INS Kozhikode. In 2019, India's response to seek minesweepers had met with a positive response from Russia. In 2018, India and Russia signed a 5 USD billion deal with no sovereign guarantee but as a government-to-government deal where India will purchase Russian S-400 Triumf (five units) long-range surface-to-air missile system. India has decided to purchase the missile defence system, which will shield any incoming ballistic missile directed towards the soil of India. To create a layered defence, the S-400 Triumf can be deployed in five minutes and fire three types of missiles within an altitude of 30 km and a range of 400 km and the S-400 Triumf can engage aerial targets, aircrafts, UAVs and ballistic and cruise missiles. It has the potential to target 100 airborne targets simultaneously including F-35 of the US. Russia has been using the S-400 Triumf since

2007 and in 2015 deployed them in Syria to guard Russian and Syrian naval and air assets. There are some S-400 Triumf units in Crimean peninsula as well. China in 2015 purchased S-400 Triumf and has been using it since 2018. With coming of S-400 Triumf, India will be able to tackle air and missile threats from Pakistan. The NATO calls S-400 Triumf as SA-21 Growler which is a Modern Long-Range Surface-to-Air Missile (MLRSAM). The S-400 Triumf (a fourth generation MLRSAM and a successor to S-200 and S-300) is more sophisticated and effective than the American Terminal High Altitude Area Defence (THAAD) system. The two sides have developed their own systems of transactions including a national currency swap for payments. In 2017, the US President signed the Countering America's Adversaries Through Sanctions Act (CAATSA). The legislation was for Russia, Iran and North Korea. As per Title II of the Act, because of Russian intervention in Ukraine and meddling into the US Presidential elections in 2016, any dealings by any state with the Russian gas, defence and security industry would invite sanctions. Section 235 of the Act talks about 12 sanctions that can be imposed upon persons engaging in significant transactions (39 Russian entities identified by the US State Department, which includes Space Defence Cooperation JSC, the manufacturer of S-400 Triumf) with the defence and intelligence of Russia. Section 231 gives powers to the US President to invoke five out of the twelve sanctions in Section 235. However, India, Indonesia and Vietnam were granted a waiver under CAATSA, which conveys that India retained its strategic autonomy. Russia, similarly, will not reduce its dependence on India as India acts as the biggest testing ground for Russian weaponry. As China goes on to supply arms to developing nations in future, it will try to undercut the Russian influence, thus necessitating Russia to stay with India so as to be able to use India as a springboard to other developing markets despite an Indian tilt to the US.

### Core Defence Projects where Russia is Engaging with India

S-400 Triumf	MANGO ammunitions
Frigates for Navy	VSHORAD systems
AK-203 Assault Rifles	Drone technologies
T-90 Tanks	Cyber technologies
Sukhoi-30 MKI	Doctrinal coordination
MiG-29	Minesweepers



## RUSSIAN TILT TOWARDS PAKISTAN, INDIAN PERCEPTIONS AND IMPLICATIONS ON BILATERAL RELATIONSHIP

The post-Cold War era has seen a shift in India's armament policy, inducting France, Israel and the USA, in a field that had always been dominated by Russia. As France, Israel and the USA increase their presence in India's armament supply, it shrinks in space for Russians. On the other hand, Russia wants to explore new markets for its arms and energy. It is the shrink of Indian space for arms supply that has motivated the Russians to look at Pakistan. The US-Pakistan relations have not been very smooth lately under Trump. Because of a number of strains in the US-Pakistan relations, Pakistan does not want to be dependent solely upon the US in future. Pakistan too has demonstrated an openness to explore a relationship with Russia. The world is witnessing not just a multipolar world, but a huge spectrum of multiple alliance building based upon linkages and dependency. Russia has been quite cautious and it is carefully exploring whether the Chinese Belt and Road Initiative is actually Chinese foray into the Russian backyard of Central Asia. One of the key motivations of Russia is to keep China in check, which has compelled Russia to balance China by improving relations with Pakistan, which is in the backyard of China. There is potential re-alignment of power structure witnessed where a Russia-China-Pakistan axis could also emerge. Such an axis could use its combined effort to challenge the unipolarity of the US in global affairs. The Trump administration is undertaking more assertion of the US power in the world and it could meet the China-Russia-Pakistan axis as a potential challenger. The Russia-China axis has been a channel to promote strategic cooperation to resist the US hegemony but the inclusion of Pakistan in the matrix of Russia-China makes a compelling case for the commencement of a New Cold War. Russia is not only trying to re-balance the region but is positioning itself through a new diplomatic space to project Russia back on to the centre stage in global affairs. The new geo-strategic goal of Russia is to check the USA hegemony. What feeds the Russian matrix is the entry of Pakistan. Pakistan has been a core ally of the US but the sanctuary of Osama bin Laden in Pakistan and its support to terrorist groups has brought the US and Pakistan on two opposing sides of a continuum. As the number of players of the West and their support to Pakistan dwindles, the entry of Russian on the scene opens a new strategic front for Pakistan. In 2016, Russia and Pakistan undertook a military exercise known as Druzhba 2016 or Friendship 2016, between Pakistan army and Russian ground forces, at the special force-training centre in Cherat in North Pakistan. It lasted as a drill for two weeks where the two sides worked together on combat preparedness at high altitudes. Despite the fact that Russia and Pakistan have been rivals during the Cold War (the USA used Pakistan to breed Mujahedeens against the Soviet invasion of Afghanistan), the defence exercise marks a new shift in the ties. In 2014, the arms embargo on Pakistan imposed by Russia was removed and in 2015, Pakistan purchased four MI-35 helicopters from Russia. This should act as a wakeup call for India to not take Russia for granted. The US also refused the sale of F-16 jets to Pakistan. This compelled them to purchase military aircrafts from Jordan. Pakistan is also trying to build up a hedge against the USA by developing proximity to Russia.

## BRAHMOS EXPORT DEAL WITH PHILIPPINES, RUSSIA FACTOR AND INDIA'S PROVOCATIVE DIPLOMACY

The BrahMos is a jointly developed supersonic cruise missile developed by India and Russia. In recent times, India has been engaging with the US quite aggressively in Indo-Pacific under various minilaterals like QUAD. The Russians were not very comfortable with the same and have been looking for spaces for engagement in Indo-Pacific. The Chinese have not given the Russians any space in the region because they consider Indo-Pacific their own strategic playground. This has frustrated the Russians. India, with a historical legacy of deep engagement with Russia has come to Russian rescue. India too does not intend to put all its eggs in one basket and thereby sees Russia as a neat balancer to hegemony of the US in the region. In this backdrop, India through its bilateral diplomacy with Philippines has convinced the state to purchase three batteries of supersonic missiles with each battery comprising two missile launchers, a radar and a command-and-control centre which can fire two missiles within 10 seconds. The deal with Philippines not only gives Russia an indirect space in Indo-Pacific but also enables India to position itself as a defence manufacturer and an exporter of defence products and also strengthen the capabilities of India's Act East Policy. From the perspective of Philippines, the deal is significant because it bolsters their capacity to ensure their coastal defence when Chinese are staking claims in South China Sea at Mischief Reef and Scarborough Shoal. The defence acquisition by Philippines is explainable through the philosophy that smaller



countries (Philippines here), by calibrated acquisitions of state-of-the-art and asymmetric capabilities (read BrahMos) can develop this overall minimum deterrence.

## **THE CHINA FACTOR IN RUSSIA AND INDIA RELATIONS AND IMPLICATIONS ON BILATERAL TIES**

Russia and China have a defence and energy-based relationship. It is important to locate the reason why the two cooperate. Russia, in the recent times, has a very strained relationship with the West and till the time Russia is isolated by the West, it will continue to embrace Chinese. Also, the US has exercised a tremendous influence on the EU to cut short their engagement with the Russians. This is why Russia is looking for an alternative market. China in this regard is a promising market in Russian neighbourhood for arms, oil and gas. With strained ties of Russia and China and China and the US, it makes all the more sense for the two to combine together and counter the US. This relationship of Russia and China does not affect India in any way for a simple reason. Russia is not interested in being positioned as a player subordinated to the Chinese in the global architecture. Also, India is not a factor in Russia and China partnership, as the US prominently is. This is testified by the fact that the Russians have been ardent supporters for India to play a role in both SCO and BRICS. The two may have a strategic partnership, which is a state level defence arrangement, but the partnership does not enjoy much support. The Russians have only 110 USD billion trade with China (in contrast to 230 USD billion Russia–EU trade). In fact Russia supplies more gas and oil to the EU than it does to Chinese. The Russians have also not gained much from the Chinese BRI as of now that can act as a great connector of the two. In 2020, when India and China were locked in a standoff in Ladakh, there was Russia–India–China trilateral meet organised by Moscow. In the meeting, the Indian side advocated that Russia should speedily deliver the pending arms that India has purchased. However, during the standoff, the Chinese tried to apply pressure on the Russians by reaching out to the strategic community of Russia. They informed the community to defer any sale of defence products to India. This tactic of the Chinese was largely in sync with the Chinese information war. However, Russia and India ties are time tested. Russia knows that India did not succumb to the American pressure while purchasing S-400 Triumf from Russia; thus, the Chinese request to Russia to not yield to Indian arms request stands no ground. India remains a stable market for Russian arms and energy. Even though the Russian arms market in India may have shrunk to 56%, it still remains a core supplier, despite India's quest for diversification of defence imports. In any case, Russia will strike a neutral posture between India and China as it continues to have stakes in both the states and in any case, Russians will never swing sides.

## **SPACE DIPLOMACY, GLONASS AND COOPERATION IN GAGANYAAN**

In 1963, with the UN assistance, India launched a satellite from Thumba equatorial launch site. On 19th April 1975, India's Aryabhata was launched on a Soviet Kosmos-3M rockets from Kapustin Yar range. In 1979, Bhaskara-I was launched from Kapustin Yar range once again. In 1984, Indian astronaut Rakesh Sharma visited space in the Soyuz T-10, which was an issue of great political prestige for India. Today, Russia is the most important strategic space power for India. In 1992, Russia agreed to provide India cryogenic rocket engines but due to India being a non-signatory to MTCR at that time, the deal was later suspended. The sudden suspension of the deal came as a serious setback to Indian space programme. At the end of the Cold War in 1994, both countries signed a space cooperation agreement and have been working in collaboration over GLONASS and the Indian Moon Mission. Russia is going to train Indian astronauts at Star City, near Moscow, which is being used by Russians since 1960s, for Gaganyaan in 2022, which will strengthen India–Russia space cooperation. Russia will also be training the crew of Gaganyaan for the International Space Station (ISS). The ISS is habitable satellite orbiting at the low-earth orbit.

## **TRADE AS A NEW CONNECTOR BEYOND DEFENCE BETWEEN INDIA AND RUSSIA**

A very peculiar feature thus observed in India–Russia trade relationship is that the relation is more like old relatives who have warm feelings for each other in their hearts and not in actions and the moment either side receives a new relative, it is the new relative who gains more attention. Today, the two have created the India–Russia Inter Governmental Commission on



Trade and the India–Russia Forum on Trade and Investments, which are core institutional mechanisms available to oversee trade. There have been regular interactions of CEOs through the India–Russia CEO's council. The trade target has been 30 billion dollars by 2025, when the bilateral trade at present is only around 8 billion dollars. Russia–China trade is at 66 billion dollars, with a target to take it to 100 billion dollars. The economic relations also suffered when the Supreme Court, in 2012, declared 2G licences in telecom as null and void after Russian AFK Sistema had teamed up with Shyam Telecom services. Russia has decided to setup six additional reactors for India and agreed to undertake localisation of equipment to promote Make in India. To safeguard the bilateral investments, the two sides in 2020 had signed a Bilateral Investment Protection treaty. To promote cooperation in science, both sides have agreed to work together under the framework set by the Arctic Council with the Russian Scientific Centre in the Spits Bergen Svalbard Archipelago.

India is negotiating a CEPA with Eurasian Economic community presently on railways, fertiliser production and aircrafts construction. A Joint Study Group has been studying the possibility of an FTA and both sides affirmed to early conclusion and preparation of a report. A special notified zone at Bharat Diamond Bourse is to be created soon to promote diamond trade. Textiles, jewellery, fruits, pharmacy, dairy and IT products are areas for future cooperation. The two sides have identified four core focus areas for future cooperation—energy, digital economy, start-up and infrastructure.

## ENERGY DIPLOMACY AND INDIA'S OIL AND GAS TRADES WITH RUSSIA

Russia is an energy supplier while Indian demand for energy is increasing as it inches to become a five trillion-dollar economy. As India is a net importer of energy, Russia is in a strategic position to cooperate in this regard. At the energy level, India follows a two-point strategy. The first is to increase India's assets into the regions of the world where oil is available and the second is to enter into reliable energy security pacts. The second point of the policy is at work with Russia. India has been importing coal and oil from Russia and in future it might also look for import of gas. Russia has tremendous amount of oil in East Siberia. Both China and Japan are keenly interested in importing East Siberian oil through a pipeline. This pipeline route via Kozmino Bay could also be explored by India. If India collaborates with the Chinese One Belt One Road initiative, it will give India access to rail and road networks in Mongolia and Daqing, a route that will be used by Russia to export oil to China. The OVL already has a 20% stake in Sakhalin-I and is in a joint venture in Sakhalin-III with Rosneft. More OVL participation will be required to meet India's growing energy needs. In the recent times, petrochemicals have emerged as a new area of cooperation and in 2020 both sides signed India–Russia roadmap for cooperation in the hydrocarbons till 2024, which focuses on joint development of oil and gas fields in Russia and offshore facilities in India. In 2020, due to rapidly expanding electric vehicle manufacturing industry, India has emerged as one of the largest markets of butyl rubber and halogenated butyl rubber. Sibur and Reliance Industries have established a joint venture called Reliance Sibur Elastomers Private Limited in Jamnagar, Gujarat, to manufacture butyl rubber in the butyl rubber halogenated plant that will manufacture 120 kilo tons per annum of butyl rubber and 60 kilo tons per annum of halogenated butyl rubber. In addition to this, Sibur will also train people in India and share butyl rubber technology to India by bringing polymerisation reactors. India has decided to cooperate with Russia in the arctic shelf and undertake joint exploration and development of oil in shelf of the Pechora and Okhotsk Seas. India has decided to continue to invest in Vankorneft and Taas-Yuryakh Neftegazodobycha. H-Energy and Petronet LNG, the two Indian firms, shall also be buying LNG from Russian firm called Novatek on a long-term basis. In 2017, Rosneft completed the 12.7 USD billion acquisition of Essar oil. In the recent times, Russia is taking a lot of steps to allow Indian companies to do business in

### Food Security and India–Russia Relations

In recent times, food security has emerged as a new area of diplomatic cooperation. India is leasing lands in Far East regions of Russia and cultivating the same with Indian labour. It offers a tantalising prospect for cooperation because the Russians are witnessing demographic crisis and human resource deficits. While Chinese too are cultivating in the region; what makes India different from China is that whatever produce Indian labour cultivate in the region, it is sold only in Russian markets, while whatever China cultivates, only a part is sold in Russia and rest is imported to China. The Indian government has negotiated an enabling agreement with Russia where private sector Indian players are executing the food security diplomacy. Bringing India is a win-win situation because India in Far East can help Russia balance off China and reduce Russian dependence on China while India can hone its skills on cultivation in this region and can later explore similar templates with other Europeans.



oil-rich zones. They have started developing port infrastructure, developed an incentive-based taxation system, developed the North Sea Route and has opened up space for firms to invest in the Arctic. India expressed hopes for cooperation in natural gas in fields at Gydan Peninsula and Gulf of Ob.

## THE NUCLEAR ELEMENT IN BILATERAL RELATIONSHIP

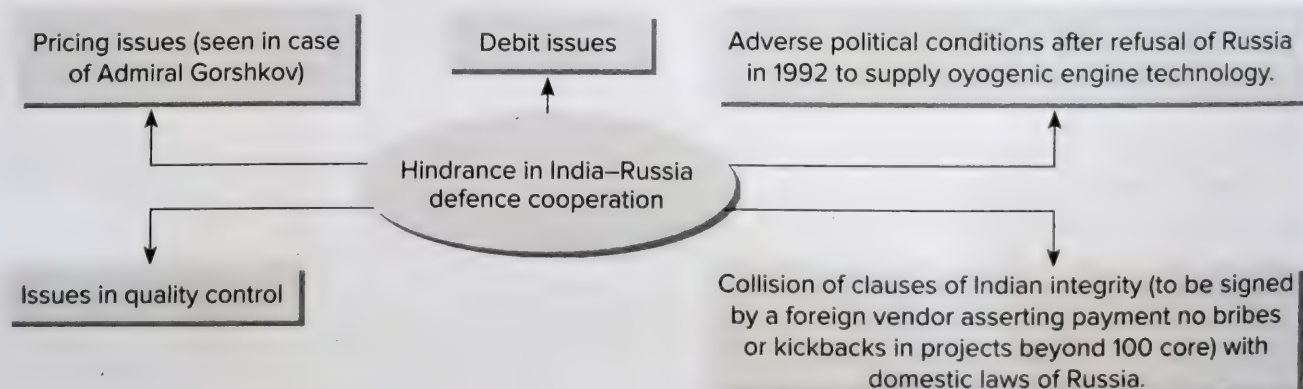
India–Russia nuclear cooperation goes back to 1960s. In 1961, India had concluded research and development agreements with Russia in Hungary for the Rajasthan Atomic Power Station (RAPS). India concluded a contract with the USSR in 1976 for supplying of heavy waters. During the Cold War period, Russia also supported India by supplying fuel at Tarapur in 1982 and in 1988, agreed to help construct reactors and supply light water for reactors at Koodankulam after Pokhran-II. In October 2013, Russia succeeded in operationalising the first unit of the reactors at Koodankulam but the construction of subsequent units got delayed and India's nuclear liability law-related issues had acted as constraints. In 2020, India and Russia had explored joint development of nuclear power in Rooppur in Bangladesh.

## AFGHANISTAN, RELATIONSHIP WITH TALIBAN AND INDIA–RUSSIA RELATIONS

The first thing to analyse is the Russian position on Afghanistan. Russia is supporting Taliban and asserts that Taliban is a legitimate force in the future of Afghanistan. Russia feels that if Taliban is integrated into the political setup of Afghanistan, it will be conducive for the stability of the region. Russia has an interest in negotiating with Taliban as it feels that if Taliban comes to power in Afghanistan, it will help keeping the rise of Islamic extremism in Russia under check. India feels the Russian–Taliban policy of Afghanistan could deflect pressure on Pakistan because if Taliban is given any leverage in Afghanistan, then it can provide immunity to Pakistan to provide a safe haven for terrorists. India feels, this is the reason why Russia and Pakistan have done a military exercise (and even supplied it with offensive defence equipment) as Russia intends to use Pakistan (also seen in 2017 Six Nation Speakers Conference in Islamabad where Russia supported the Pakistani line on Kashmir issue, where historically it had tilted towards India) to reach out to Taliban. In 2020, Russia had done a course correction in its Afghanistan policy and stated that Indian involvement was crucial for the long-term stability of Afghanistan.

## INDIA'S CONCERNS WITH DEFENCE EQUIPMENT OF RUSSIA AND INDIAN QUEST FOR DIVERSIFICATION

Indian armed forces often complain about problems in spare parts and issues in the maintenance of Russian equipment. Part of the blame is on Indian defence and foreign policy negotiations that failed to develop a deeper perspective on the life cycle of products. When they were negotiating contracts and agreements, they often do not take care of products' life cycles. At times, Indians ended up taking some equipment, which became obsolete after a few years and its production plants also shut down, thereby making spare parts availability a huge concern.





## CHALLENGES IN TRADE AND COMMERCE DIPLOMACY

- Overdependence on arms trade has shadowed other items
- No direct land access to Russia
- Inadequate information about business potential (can be mitigated with establishment of media outlets that would advertise the business potential in each other's country)
- Poor knowledge of Russian language
- Bureaucratic delays
- Lack of access to institutional finance to boost exports

## INDIA–RUSSIA INTERGOVERNMENTAL COMMISSIONS ON MILITARY–TECHNICAL COOPERATION

Russia created the Rosoboronexport in 2000, which is a state intermediary body that monopolises arms export. India raises the issue of after sales support at almost all India–Russia Intergovernmental Commissions on Military–Technical Cooperation (IRIGC–MTC) and this platform helps us to resolve our issues.

## LOCATING RUSSIA IN INDIAN OCEAN AND INDIA–RUSSIA INDO-PACIFIC ORDER

Russia has displayed interest in coming to the Indian Ocean (IO). During the colonial times, IO was one area where the British were a dominant power. At the onset of the Cold War, the British were replaced by the USA. Throughout the Cold War, the USA remained a key security provider to the littoral states of the IO. However, in the recent times, we observe Russia trying to make forays into the IO. In 2019, Russia, China and Brazil had carried out joint naval exercises with South Africa in the Cape of Good Hope called Moris. This was the first time that Russia had entered into the security calculus of Africa and it tried to fill the vacuum in South Africa, which in the recent times is drifting away from the West. Even though Russia may never be able to dominate the IO, but with its recent forays, it definitely can alter the dynamics of the IO. This is proven by many facts. First, Russia has displayed credibility in Syria to prevent the fall of Assad regime. Second, Russia already has a deep relationship with Iran and both have naval cooperation in the Persian Gulf. Third, as Russia is a permanent member of the UNSC, some African states such as Mozambique and Libya have developed proximity with Russia to prevent the Western pressures on human rights issues in the UNSC. This has enabled Russia to play a significant role in security of littoral states of IO through African states, which can enable Russia in the future to develop a naval base. Fourth, as most of the African states are mineral-rich, Russian energy and mineral exploration firms can offer options to these states to develop their capacities further. All these instances prove Russian activism in the IO and from the Indian point of view; it should be welcomed, as it is an addition to the assertion of multipolarity in the IO. But this is where India should initiate a deep dialogue with Russia and identify how can India's Indian Ocean strategy fit into the framework of Russian–Indian Ocean framework, as this can be a potential future area of cooperation. However, Russia looks at Indo-Pacific as an American strategy to counter China and is quite negative about the participation of India in the Indo-Pacific. India has clarified that it does not look at Indo-Pacific as an effort to contain China. India rather prefers a more inclusive, open and multipolar Indo-Pacific and would even welcome Russia in the same ahead.

## RUSSIAN PERCEPTION OF INDO-US RELATIONS AND INDIA IN QUAD AND INDO-PACIFIC

Russia in the recent times has become a little concerned with India tilting too much towards the US. Russia feels that as India tilts to the US (for arms sale and architectures like QUAD), it will end up in losing a defence market, thus, compelling Russia to shift towards Pakistan as an emergent market. Also, a point of constant reticence between the two sides is surprisingly terrorism. India has been trying hard to ensure that the Joint Statement mentions Pakistani supported proxy groups like LeT, JeM etc., but Russia has stuck to 'condemnation of all forms of terrorism including state-sponsored terrorism and cross-border terrorism'. India feels that this does not strengthen Indian case of isolating Pakistan.



However, it is imperative to understand that there are many cracks in the way Indo-Pacific are perceived by India and the US and these cracks are actually spaces where India and Russia can cooperate.

Element	American perception of Indo-Pacific	Indian perception of Indo-Pacific	Space for Russia and India in Indo-Pacific
<b>Geographical expanse</b>	Starts from the West Coast of India	Starts from the West Asia at Iran	Russia–Iran–India can explore this space left by the US
<b>Importance</b>	Only maritime component	Land and maritime component	Russia–India can explore land space and fuse with maritime
<b>Significance</b>	Pacific Ocean	Indian Ocean	Arctic–Indian Ocean realm
<b>Strategic weight</b>	Through AUKUS, the US envisages Australia to be the fulcrum in Indo-Pacific and wants it to play lead role	India envisages itself as a claimant for Net Security Provider and Preferred Security Partner	Russia and India defence cooperation and the historical legacy can ensure achievement of Indian ambition with strategic autonomy
<b>Polarity thesis</b>	The US aspires hegemony through allies	India favours multipolar Indo-Pacific	Russia favours multipolar Indo-Pacific
<b>Vision</b>	Augment military power through alliances and minilaterals	Augment geo-economic and geo-strategic power	Greater Eurasian Partnership intends to counterbalance China
<b>Vladivostok city</b>	Does not figure into importance	Russia dispatched armed flotilla in 1971 for India from here	City was a part of China till 1860 and Russia allows India here to pinch China
<b>Identity</b>	No role envisaged	Asian and Indian values	Bring Russia in Indo-Pacific to invoke Russian–Asian identity





# 5

## CHAPTER

# Ukraine Crisis, Inflection Point in Global Order and India's Diplomatic Posture

## EXISTENCE OF UKRAINE AND DEBATES ON UKRAINIAN INDEPENDENCE SINCE 13TH AND 14TH CENTURIES

Ukraine has never existed independently and its existence has always been vacillated between Europe and Russia. In the 13th and 14th centuries, the centre of gravity in the region shifted to Moscow and since then, Russia has been a force on the global scene. In modern times, Ukraine had an independent existence only for a limited period in the 17th and 18th centuries. In the post-World War II European order, Ukraine had the second largest area and next to it was the Crimean peninsula. In the period from 1853 to 1856, the region witnessed the Crimean War, in which the Russian Empire lost to an alliance of the Ottoman Empire, France, Britain and Sardinia. The immediate cause involved the rights of Christian minorities in the Holy Land, which was a part of the Ottoman Empire. The French promoted the rights of Roman Catholics, while Russia promoted those of the Eastern Orthodox Church. The long-term causes involved the decline of the Ottoman Empire and the unwillingness of Britain and France to allow Russia to gain territory and power at Ottoman expense.

## UKRAINE FROM THE RUSSIAN REVOLUTION TO THE END OF THE COLD WAR

From 1917 to 1921, Russia witnessed the Russian revolution, during which Ukraine vacillated and drifted under the control of Austria-Hungary Empire and the Polish empire. Post-1921, Ukraine again came under the control of Soviet and remained there for some time. Crimea, a region next to Ukraine was controlled by Soviet but in 1954, there was transfer of power of Crimea to Ukraine. Soviet ruler Nikita Khrushchev decided to hand over Crimea to be controlled by Ukraine because Crimea was dependent upon Ukraine for all its basic needs including food, oil and gas. Khrushchev was of the opinion that such a mechanism would be useful for the administration of Crimea and would not create an issue for the Soviet because Ukraine was still under the Soviet control. This mechanism prevailed till 1991 when the Soviet Union disintegrated.

## THE POST-SOVIET UKRAINE AND ORANGE REVOLUTION

After the disintegration of the Soviet Union, the erstwhile Russian satellite states began to assert independence. Ukraine too asserted independence but was vacillating between having a pro-Russian or pro-European regime. In the period after the disintegration of the Soviet Union, in a referendum in Ukraine, 90% people voted in favour of a separation from Russia. Since then, till 2004, Ukraine remained a state with loose control and a vacillating identity. In 2004, Ukraine witnessed elections in which a pro-Russia leader, Yenukovich, won and initiated his rule. The election of Yenukovich was challenged by his opponent and a pro-US, Yushenko, who launched a protest against Yenukovich, which came to be known as Orange Revolution. The Orange Revolution led to a re-election in Ukraine in which Yushenko won in 2004. In the next election in 2010, Yushenko lost while Yenukovich won.



## UKRAINIAN FLIRTATIONS WITH THE EUROPEAN UNION AND BLACK SEA GEOPOLITICS

In 1994, Russia and the North Atlantic Treaty Organization (NATO) entered into an agreement that neither would resort to expansionism in Europe. In 1998, Russia and Crimea entered into an agreement where Crimea agreed to allow Russia to station 25,000 Russian soldiers in Crimea near the Black Sea. Russians today have Black Sea as the only warm water port available for navigation. This led NATO to initiate expansion and the US extended NATO memberships to Poland and Hungary. In 2004, NATO expanded further by offering memberships to Slovakia, Slovenia, Estonia, Lithuania and Latvia, thus violating the 1994 agreements. In 2008, the US initiated the process to bring Ukraine into the fold of NATO. In 2008, Ukraine was led by Yushenko, who was a pro-US leader. As a consequence, the Russians entered into an agreement with Crimea where Crimea offered Russia access to a part of Sevastopol port in the Black Sea region. As per the agreement, Russia would maintain a Black Sea Fleet in Sevastopol and the Russian presence would remain undisturbed till 2042.

## THE EUROMAIDAN PROTESTS, ANNEXATION OF CRIMEA AND NORMANDY FORMAT

As this expansion and counter-expansion by NATO and Russia unfolded, in 2013, the US offered Ukraine a membership to the European Union (EU). This offer was made to Yenukovich, a pro-Russia leader, in power since 2010. Russia saw this offer as an indirect attempt by the NATO to reach Russia borders. As Yenukovich rejected the deal to allow Ukraine to be a part of the EU, a crisis began to unfold. In the independence square in Kiev, the Ukrainian capital, massive protests took place to seek a pro-EU decision for Ukraine. Russia supported the counter-protests and this led to violence in Ukraine leading to the beginning of the Ukraine crisis in November 2013. As the crisis intensified at Euromaidan where protestors thronged in huge numbers, in February 2014, Yenukovich fled the country, signalling a victory for the rebels supported by the US. Witnessing the situation turning in favour of the rebels, Russia, in March 2014, instigated Crimea to undertake a referendum. On 16th March 2014, Crimea ordered a referendum and 95% people in Crimea voted in favour of Crimea joining Russia. On 19th March 2014, Russia took over Crimea and used Crimea to assert power in Ukraine. The 5% people who did not vote in favour of Crimea joining Russia were the Tartars. The Tartars are ethnic Muslims in Crimea who have always been at the receiving end of repression by the Russians. In 1950s, Stalin had crushed the Tartars and even deported them to Bulgaria, Turkey and Romania because he perceived them as outsiders who had settled in regions belonging to the ethnic Russians. Post-Soviet disintegration, the Tartars settled back in Crimea again where they had been living for many centuries. Since 19th March 2014, Crimea has been under the Russian control. France, Russia, Ukraine, Germany came together in 2014 to establish Normandy format of talks to find a peaceful resolution to the crisis. The US and the other Western states alleged that Russia has illegally annexed Crimea. Since then, the Russians have come under sanctions of the West. In October 2014, when fresh elections were held in Ukraine, Petro Poroshenko won the election. Poroshenko favoured an equidistance policy and had maintained distance from both Russia and the US. Over a period of time, the US too had realised its mistake of stirring up controversy in Russian backyard.

## RUSSIAN GEOSTRATEGIC INTERESTS IN UKRAINE AND PROTECTION OF ETHNIC DIASPORA

Russia has tried to assert dominance in Ukraine and Crimea. For Russia, Crimea and Ukraine are strategically important. The Russians get an access to the warm waters of the Black Sea only through Ukraine and Crimea. Russia's northern stream and southern stream pipelines pass through these states. These pipelines are lifelines for the European states of Germany, France and others. Russia supplies oil to the European states through these pipelines. The violence in Kiev, Luhansk and Minsk, along with other regions, has been under control since a 2015 ceasefire agreed upon between the rebels and others. However, firstly, the rebels were armed by the Central Intelligence Agency (which had pumped 5 billion USD in the region) continued to possess arms as there had been no mechanism to take back the arms from the rebels. Secondly, the eastern regions of Ukraine have a significant population of ethnic Russians and Russia has been assertive on ensuring that their diaspora is protected at all costs from any psychological tactics of the West to dilute their ethnicity.



## THE MINSK-I, MINSK-II AND QUESTIONS ON STABILITY

After the 2014 crisis, Russia and Ukraine had concluded a 12-point ceasefire deal, known as Minsk-I Agreement, in Minsk, the capital of Belarus. The deal broadly talked about prisoner exchanges, delivery of humanitarian aid and withdrawal of heavy weaponries. The Minsk-I broke down immediately because there were violations by contracting parties. In 2015, France and Germany mediated and a Minsk-II Agreement was signed with 13 points. The Minsk-II was also negotiated by Organisation for Security and Cooperation in Europe.

The Minsk-II asserted the need for a comprehensive ceasefire, restoration of state borders by Ukrainian government, withdrawal of foreign mercenaries and military equipment. In Minsk-II, the most important provision was that Ukrainian government would carry out constitutional reforms and decentralise powers in Luhansk and Donetsk regions bordering Russia.

## THE FLAREUP IN 2022 AND RUSSIAN USE OF NON-KINETIC MEANS OF INFORMATION MANOEUVRES

The Luhansk and Donetsk regions are collectively known as the Donbass region. In 2022, the Russians declared the independence of Donbass and thus the Minsk Agreements virtually died. Firstly, the Russian interests in the Donbass region are not only based on Russian ethnic diaspora but also excessive deposits of coal in the region. Secondly, the incumbent Ukrainian President Volodymyr Zelensky (who assumed power on 20th May 2019) had started flirtations with Europe for the EU membership and the US for NATO membership for Ukraine. This led Russia to use force in Donbass region and proclaim independence. The Russians launched a well-planned campaign in Ukraine with usage of non-kinetic means such as cyber wars to disrupt the Ukrainian economy. Secondly, after the cyber-attacks crippled Ukraine, the Russians launched a full-scale invasion in Donbass region.

## THE R2P DOCTRINE OF THE US AND THE SWIFT ISSUE

The West and the US adopted a two-point policy based on the concept of Responsibility to Protect (R2P). Firstly, they decided to arm Ukraine with weapons and trainings so that Ukrainians develop capacity for resisting Russia. Secondly, the West and the US decided to counter-cripple Russian economy by suspending Russia from SWIFT payments architecture.

## ENTRY OF FOREIGN FIGHTERS, THE UN CHARTER AND CRUMBLING WESTPHALIAN ORDER

A very peculiar scenario seen in 2022 crisis is the inflow of foreign fighters into the fighting scenes. The foreign fighters have come from both sides and the newly unfolding verbal gymnastics unleashed by the West against Russia only weakens the morality the West has been trying to uphold in international politics. The problem with this new nomenclature of foreign fighters is that they argue that they are fighting for a 'just cause' of Ukraine. The 'just cause' theory is exactly similar to the logic advanced by the Islamic fundamentalists during the Cold War and 9/11. The narrative is even more problematic because since the Westphalian order, it was argued that national armies and professional militaries would fight wars. The Cold War period saw use of paid mercenaries mobilised into tanzeems for fighting on models of plausible deniability. Such tactics were not just costly but also

### Organisation for Security and Cooperation in Europe

It is the largest security-oriented intergovernmental organisation on earth, conceptualised in 1975 as Conference on Security and Cooperation in Europe and renamed in 1994, but presently based in Vienna with 57 members from Asia, Europe and North America, but India is not a member. Its mandate includes discussion on matters pertaining to arms control, promotion of human rights and freedom of press and organisation of free and fair elections.

### What is SWIFT and why it Matters?

SWIFT stands for Society for Worldwide Interbank Financial Transaction and is a Belgian cooperative society, not an intergovernmental organisation, which provides services that execute financial transactions and payments between banks at global levels. Being a financial messaging network, SWIFT provides a network where banks can send data from the branch of one bank to another through a secured communication. The SWIFT does not manage any individual or institutional accounts or holds funds nor does it perform any clearance or settlement functions. It is a highly secure network for global transactions with encryption and decryption technologies.



extremely devastating for global peace, security and stability. In this backdrop, the Ukraine crisis now offers a new insight into evolving security scenarios where Russian and American companies are resorting to agile, flexible bunch of foreign fighters which are armed to fight for a specific 'just cause'. The UN Charter asserts that in the face of external aggression, every member in the comity of nations has the right to take help from outside and outsiders. The significant word in the UN Charter is 'outsiders'. There exists no clarity on international law defining these 'outsiders' and no clarity even exists if they would be called illegal combatants or combatants, would they be absorbed in armies, would they support armies as first line of defences. In the context of Ukraine, the foreign fighters are disparate, unconnected individuals cutting across ideological echo chambers and one of the key takeaways from the Global War on Terror since 9/11 is that those who pick up arms are governed not just by ideology and money, but also by a sense of tribalism that overrides any civic or social identity, as clearly visible in Ukrainian contexts. In this sense, the Ukraine crisis is a watershed event with seismic consequences for the international order and has consequences for national security of various states.

## GEOSTRATEGIC ASPECTS OF WAR AND SOUL SEARCHING BY CHINA

The war between Russia and Ukraine has not just mobilised the world but also digitised it. The war has widened the gaps between how the countries perceive what is right versus wrong, how they view democracy versus authoritarianism, globalisation versus protectionism, and more importantly, victory versus defeat, thus making the world more polarised in post-pandemic scenario.

### What Does the Ukraine Crisis Tell Us?

Nuclear Russia is a deterrent for the West.

Economic sanctions do not deter aggression.

China has had a deep introspection of the war and done its own bit of soul searching. The most valuable lesson for the Chinese is to see how the Americans crippled Russia economically for their failure to uphold the international rules-based order. The Chinese have not called the Russian act an invasion but "special military operation". Calling it by name is not the concern, the lesson is that there must be respect for territorial sovereignty and integrity. While for a country such as China, the crisis is seen from its BRI and urge to dominate European markets; for Europeans, it is a battle between the ideology of authoritarianism and democracy. China knows that if Russia falls, they will be the next, thus explaining why the West is keen to use Ukraine as a battle of ideology.

## THE CORE DEMANDS OF RUSSIA AND THE WESTERN COUNTER-RESPONSES

Russia has been under sanctions since 2014 and now SWIFT sanctions since 2022. It has kept the tensions high at the eastern borders of Ukraine to seek sanction relief from the West. However, even though West has intensified their sanctions, the Russians have been compelled to develop deeper proximity with China to bypass the sanctions.

### Russian Demands

No membership of NATO to Ukraine

No membership of the EU to Ukraine

Halt to NATO expansionism in the East European theatre

Halt to balance of power politics and maintain status quo

No long-range missile deployments in the region

No NATO cooperation with the erstwhile Soviet republics



**Western Response**

NATO's open door policy to continue or NATO will continue to bring new members in Europe

The US to continue to offer training and weapons support to Ukraine

New economic sanction on Russia to continue with the objective of global isolation of Russia

**EFFICACY OF ECONOMIC SANCTIONS AND IS ECONOMICS THE NEW NUCLEAR BOMB?**

The economic sanctions unleashed by the West on Russia in 2022 are more focussed, stringent and strong enough to cripple the Russian economy. The economic sanctions have been in use for a long period of time but there have been constant debates on their effectiveness. Even though economic sanctions have often been used by stronger states to deter and punish the belligerent states, there are concerns that continue to remain.

**Broad Trends in the Use of Economic Sanctions in International Relations**

Objective of sanctions	Challenges involved in achieving the objective
Uphold an internationally accepted rules-based order	The sanctions are designed to uphold the rules-based order but their practical implementation, even visible in Ukraine issue, proves that they actually serve geopolitical interests of select few. The more so, they act as punitive measures on 'sender' countries (countries that send money to country such as Russia) and lack of coordination to ensure alternative supplies in trade raise doubts on a uniform mechanism of response. The excessive use of sanctions by the developed world without respecting sensibilities of the developing world make upholding rules-based order an undemocratic process, thus piercing it from within.
Belligerents improve resilience against standards	The biggest lesson of imposition of sanctions is on other belligerent such as Chinese who draw crucial lessons on how to develop systems that bypass economic sanctions. The promotion of counter currencies to the US dollar and establishing parallel secured financial communication systems weaken the overall impact envisaged by sanctions and fail to bring behavioural changes.
Diversification of currency baskets and end of dollar hegemony	If the West continues to use sanctions, then countries will be compelled to diversify their currency baskets and consequently will strive to establish a multipolar currency basket. This will weaken sanction imposer in the end.

**ENERGY POLITICS IS AT THE HEART OF UKRAINE CRISIS**

The Ukraine issue is a geopolitical conflict for dominance. The West has expanded the NATO aggressively and is at the doorsteps of Russia, something that Russians do not like. An indirect attempt was made by NATO through the EU to penetrate into Ukraine thereby leading Russia to lose its patience over NATO expansion. Some scholars have observed that the crisis is only a beginning of a new energy war in Europe since the US is desperately looking for a shale gas market in Europe and wants to end the dominance of Russia in the Western Europe. However, an assertive and rising Russia, as visible in Ukraine, Iran and Syria, is a pointer to the fact that the future could see a commencement of a new Cold War. The implications of the Ukrainian crisis on global politics is that Russia has tried to assert multipolarity and has conveyed to the US that it should learn to respect the opinions of others.

**INDIAN POSITION ON UKRAINE THROUGH THE PRISM OF MULTIPOLARITY THESIS IN INTERNATIONAL RELATIONS**

Though India has not been a direct party to the dispute over the crisis in Ukraine, it has still maintained that it favours Russian assertion of multipolarity. Multipolarity itself is a goal that the Indian foreign policy stands for. The idea of



distribution of power and co-dependency are at the heart of multipolarity today but this in anyway does not mean there is equal and favourable co-dependency. India has realised that in a multipolar world, middle powers (that includes India) become crucial actors in the international system to define and shape the arguments of the bigger powers. This is because in a multipolar hierarchical and anarchial world, if a great power wishes to retain its hegemonic position, it ought to take the middle powers and their opinions into consideration. In a globalised world, India realises that the interconnectedness unleashed allows it the space to pursue its own goals in international system because it widens the scope of negotiations and allows India the space to reconfigure certain dynamics in international political order. But the same multipolarity is a threat to multilateralism because there is no coherent and collective response against aggressors because multipolarity creates unignorable dependencies that bind nations through global supply chains. This explains that why India has been able to solicit support from the West for its oil and gas deals with Russia even when Russia is under an umbrella of economic sanctions. India has not condemned the Russian intervention in Crimea like most of the Western powers as it believes that there are legitimate Russian interests in the region that need to be taken care of by Russia. However, India has not openly supported the Russian invasion as it stands for conflict resolution through positive dialogue.





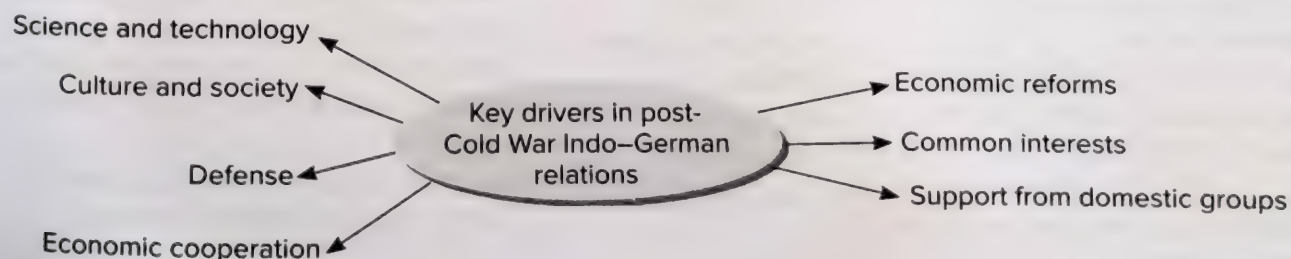
# 6

## CHAPTER

# India and Germany, Sweden and Portugal Relations

## INDIA AND GERMANY RELATIONS

Historical engagement	India's core interest	India's diplomatic strategy	Shortcomings
Germany, after the World War II, was divided into two parts—the Federal Republic of Germany (FRG, or West Germany) and the German Democratic Republic (GDR, or East Germany). India supported diplomatic relations with the FRG and stayed away from recognising the GDR till 1970s.	Technology diplomacy Commercial diplomacy Skill generation Security diplomacy Global-order stability Sustainable development	<p>India–Germany Inter-Governmental Consultations (IGC) was established by the strategic Partnership Agreement in 2000, which provides the framework for cooperation of the two.</p> <p>The two sides have a High Technology Partnership Group (HTPG) for technology cooperation.</p> <p>German engineering economy is driven by small companies and India aims to engage with them to seek their expertise (Make in India Mittelstand Programme).</p> <p>A new chapter of cooperation in Industry 4.0 has started and the two have identified automation, big data and AI as dimensions to cooperate.</p> <p>Both have a pact on mutual recognition of qualification which helps India in quality manpower skilled by Germany.</p> <p>Urban mobility, river cleaning, manufacturing clusters, climate resilience and renewable energy have been identified as areas for cooperation in 2020–2021.</p>	<p>German firms have raised certain issues in doing business with India such as</p> <p>Corruption</p> <p>IPR-related barriers</p> <p>Absence of legal provisions for business grievances</p> <p>Absence of a framework for investment</p>







## INDIA AND SWEDEN RELATIONS

Historical engagement	India's core interest	India's diplomatic strategy to engage with Sweden
<p>In 1903, L. M. Ericson delivered the first manual switchboard to India.</p> <p>Diplomatic ties began in 1949.</p> <p>#SwedenIndiaSambandh has emerged as a new hash tag of the ties in 2020.</p>	<p>Strategic commerce</p> <p>Healthcare diplomacy</p> <p>Defence diplomacy</p> <p>Green technology diplomacy</p> <p>Maritime cooperation in Polar Science</p>	<p>India has sought manufacturing expertise of Sweden and they follow "In India for India" strategic framework for India as a market.</p> <p>Atlas Copco, Sandvik and Alfa Laval are firms in India since 1960s and have created two million jobs till date.</p> <p>Swedish firms such as IKEA and H&amp;M have identified retail as a space of growth in India.</p> <p>In 2020, India used a Swedish tech TORREFACTION (made by BIOENDEV, a Swedish firm), which can convert rice stubble (by heating it to 350 degrees) into bio-coal pellets, which can be used for industrial use in steel and cement production.</p> <p>India since 2020 is seeking Swedish support for clean technologies, healthcare, green tech and defence.</p> <p>Bofors scandal, over 410 field Howitzer guns, did emerge as a drag in the ties as it affected the then Prime Minister Rajiv Gandhi, but, now, Saab, the largest defence manufacturer of Sweden, is providing support for Make in India.</p> <p>India is looking at purchasing Swedish Gripen fighters for IAF as Gripen is powered with American engines.</p>

## INDIA AND PORTUGAL RELATIONS

Historical engagement between India and Portugal	India's core interest in engaging with Portugal	India's diplomatic strategy to engage with Portugal
<p>Goa was under the Portugal rule and liberation of Goa emerged as a sticky point.</p> <p>In 1974, the two concluded a diplomatic treaty.</p> <p>Portugal is one of the first European states to have a pact with India on Nalanda University.</p> <p>More than 70,000 Indian diasporas live in Portugal today and they act as a bridge in the ties.</p>	<p>Strategic alliance</p> <p>Technology diplomacy</p> <p>Start-up-based cooperation</p> <p>Defence and security diplomacy</p> <p>Shipping-based cooperation</p> <p>Cultural cooperation</p>	<p>India looks at Portugal as an economic gateway to Europe.</p> <p>Portugal wants India to be a part of a multilateral strategic alliance of democratic states to tackle problems that range from freedom, rule of law, tolerance to social justice and act as an alternative to non-democratic models.</p> <p>India also looks at Portugal as a bridge to Africa and Latin America diplomacy.</p>



## SECTION 10

# INDIA'S NUCLEAR DIPLOMACY, DISARMAMENT POLICY AND NUCLEAR POSTURING

- 1. The Fundamentals of Nuclear Diplomacy
- 2. India's Nuclear Policy: Changing Perceptions and Policy
- 3. Nuclear Security Challenges for India in the Post-Pandemic World Order

### AN OVERVIEW

In the past, the UPSC asked questions pertaining to India's stance at NPT and CTBT. Questions on India's nuclear doctrine and its assessment have been asked repeatedly. The questions asked are not complex and are relatively straight forward. But they do give us an insight on what lies ahead.

**Potential foresight** Analysing previous years' questions, we can infer that the commission may not shy away from asking questions on changing dynamics of India's disarmament policy. There could be potential questions on the need for India to change its nuclear doctrine especially after the recent Ladakh standoff with China. This chapter is constructed succinctly to align one's thoughts in the analytical fashion.





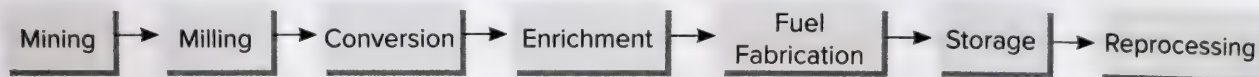
# 1

## CHAPTER

# The Fundamentals of Nuclear Diplomacy

## THE NUCLEAR FUEL CYCLE

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The uranium that exists in nature is extracted from the ground. The naturally occurring uranium is called the Uranium-238 isotope. In this isotope, the fissile material Uranium-235 0.7% that is just enough to sustain a nuclear reaction. Because Uranium-235 only constitutes a meager percentage of the fuel, more amount of fissile material is required. The naturally occurring uranium is leached using chemicals to prepare the yellow cake. The transformation of yellow cake is brought about using uranium hexafluoride gas. As the concentration of Uranium-235 increases, it becomes ready for generation of nuclear energy. The enriched uranium is grinded into power form. The powder is further processed to produce ceramic pellets. These pellets are put inside the fuel rods to power the reactor core. After the usage of Uranium-235, Uranium-238 and plutonium thus generated are then kept in the spent fuel pool separately. The plutonium and Uranium-238 are then further used thereby completing the fuel cycle. Uranium enriched up to 3–5% is civilian grade uranium and is used for generation of electricity. Uranium enriched up to 20% is called highly-enriched uranium and is used for medical isotopes. Uranium enriched up to 90% is called military grade uranium and is used for nuclear weapons.

## ATOMS FOR PEACE

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It was a programme that had its origin in the speech of the US President Dwight Eisenhower at the UN General Assembly in 1953. In the speech, Eisenhower not only highlighted the dangers of nuclear weapons but also proposed peaceful use of nuclear technology. During the Cold War, the US began to use the programme to win allies in the global order. The US declassified nuclear documents and began to transfer nuclear technology to other states for peaceful use. India, Pakistan and Iran took advantage of the declassified knowledge to build up peaceful nuclear programmes. The logic behind this declassification was that countries in the world would seek the US support at the nuclear level and such American support will give the US the leverage to prevent states to gravitate towards the USSR and thus make the capitalist camp more powerful. The US also stated that to facilitate the civilian transfer, an international body would be subsequently established. To execute the transfer of civilian nuclear secrets with nations, a body was proposed called the International Atomic Energy Agency (IAEA).

## INTERNATIONAL ATOMIC ENERGY AGENCY

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It is an international body, proposed under the Atoms for Peace initiative that was to assist other nations in peaceful use of civilian nuclear technology, that they would receive from the US and other Western powers. The IAEA had three objectives. First, it would ensure peaceful use of civilian nuclear technologies by member states. Second, it would establish safeguards to prevent the diversion of civilian technology by states to military use. Third, it would establish



nuclear safety standards for the countries to follow. To implement the third point, the IAEA conceptualised safeguard agreements and additional protocols (APs).

## NUCLEAR NON-PROLIFERATION TREATY (NPT)

The NPT was announced in 1968 and was implemented in 1970. It was a treaty that was designed to prevent proliferation of nuclear technologies to other states.

## SAFEGUARD AGREEMENTS

To ensure that countries receiving nuclear assistance use the assistance only for civilian use, the IAEA conceptualised the safeguard agreements. The IAEA under the safeguards could carry out inspection for unauthorised activities only at designated or specified sites declared by a country. This basically left an option open for states to carry out covert nuclear programmes.

### What is meant by Proliferation?

Proliferation means spreading. In the nuclear context, it means spread of nuclear technologies for uses other than stated purposes.

## ADDITIONAL PROTOCOLS AND MODIFIED CODE 3.1

Additional protocols are basically safeguard agreements. After it was revealed that Iraq had violated the IAEA safeguards, a need was felt to have extra safeguards. Under the old IAEA safeguards, all NPT signatories would specify their nuclear sites and IAEA would carry out inspections in the specified sites. Thus, in 1993, the IAEA-designed APs, under a programme called Modified Code 3.1, to tighten the existing safeguarding regime. Under the APs, now the IAEA can keep a check upon the entire nuclear fuel cycle of a state. For instance, as per the APs, if a state mines uranium or thorium, it has to report it to the IAEA. If a state uses uranium or thorium, it needs to inform the IAEA. Similarly, if a state disposes off the nuclear waste, then it needs to inform the IAEA. Thus, under the APs, IAEA is empowered with stringent levels of intrusive checks to prevent any covert diversion of fissile materials. But the AP was kept voluntary for a state. India, as part of the Indo-US nuclear deal, signed the AP with IAEA. Indian-specific APs do not give IAEA the right to hinder or interfere with activities which are outside the scope of India's safeguard agreements, thus recognising that India reserves a right to a military nuclear programme outside IAEA agreement.

## NUCLEAR FIRST STRIKE

First strike is a nuclear strategy of identifying and completely destroying enemy countries' nuclear forces. The attacker needs to have complete idea as to where the enemy has kept its nuclear weapons (to destroy them) and some additional reserve of nuclear forces to prevent any devastating reprisal in case of an unsuccessful first strike. The first strike should not be seen as same as the first attack. A first attack would be a limited attack that may not destroy the enemy's nuclear forces.

## POSTURE OF FIRST USE

If a state is not able to defend itself with conventional military forces or feels that there is uncertainty in its capacity to defend itself through conventional forces, it may reserve a right to the first use of nuclear weapons. Normally, when a state feels that its adversary may possess significantly superior conventional forces, it may be compelled to adopt first use. But first use does not mean early use, as states having first use may still resort to use of nuclear weapons as last resort. India has No First Use (NFU) doctrine.

## CONFERENCE ON DISARMAMENT

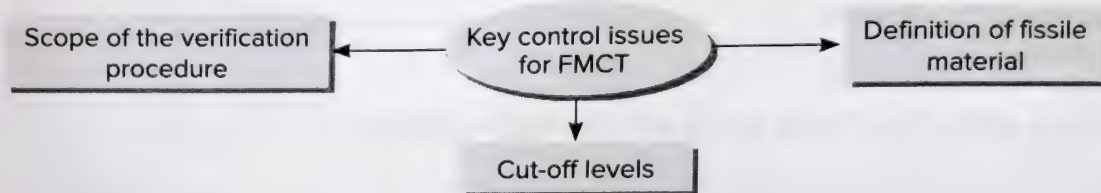
It is a disarmament-negotiating agency with its headquarters in Geneva. Five members from NATO and five members of Warsaw Pact in 1960 in Geneva had established the Ten Nation Committee on Disarmament or the TNCD. To encourage further dialogue between the US and Soviet Union, the UN, in 1961, established Eighteen Nation Committee on Disarmament (ENCD). The ENCD added eight members from the third world and the ten from TNCD. The ENCD,



in 1969, was rechristened and reconstituted as Conference of the Committee on Disarmament (CCD) and finally the CD replaced CCD in 1979. The CD has been instrumental in negotiation of CTBT (Comprehensive Test Ban Treaty) along with acting as a forum to negotiate First Missile Cut-off Treaty (FMCT) and prevention of arms race in outer space treaty.

## FISSILE MATERIAL CUT-OFF TREATY

FMCT is a treaty being proposed to prohibit production of highly-enriched uranium and plutonium. Regarding the scope of verification procedure, there is unanimity that the procedure should be strong, effective and also politically acceptable. Many countries have advocated that the procedure should not be the same as prescribed under NPT. Some sections in the Indian establishment are of the view that FMCT should have mechanisms whereby all states comply with all obligations. India's ambassador at the CD has reiterated that India will only favour a treaty if it intends to ban future production of fissile material only.



## PEACEFUL NUCLEAR EXPLOSION (PNE) AND NUCLEAR WEAPONS TEST

When a nuclear explosion is carried out for non-military purposes, it is called a PNE. Such explosions are permitted by the NPT. Theoretically, characterising a test as peaceful is very difficult. In 1974, India undertook a PNE, Operation Smiling Buddha at Pokhran. It is also called as a technology demonstrator test. A nuclear weapon test is a test of nuclear weapons where the state achieves the sub-critical position. This means when a state conducts a nuclear weapon test, the yield of the weapon detonated is so high that it generates enough data which the state can use to improvise the yield of the weapon through computer simulation and no further physical testing is needed. India achieved this honour in 1998. Testing of a nuclear weapon makes a state a nuclear weapon state. The 1998 test was called Operation Shakti.



# 2

## CHAPTER

# India's Nuclear Policy: Changing Perceptions and Policy

## BUILDING INDIA'S NUCLEAR INSTITUTIONAL ARCHITECTURE

The Indian nuclear issue can be traced back to the time of Nehru. He had exercised tremendous influence on India's nuclear thought and policy. He laid down the foundation of India's nuclear programme and its nuclear behaviour. The person other than Nehru who created a deep imprint on the Indian nuclear programme was Homi J. Bhabha. In 1939, Bhabha came back to India to establish the Nuclear Research Institute. He sought financial assistance from the Sir Dorabji Tata Trust to further Indian nuclear research and to establish a nuclear research project. He was able to convince him about the role that nuclear technology could play in the development of modern India. In 1945, the Tata Institute of Fundamental Research (TIFR) was established, with Bhabha as its director. He based his idea of nuclear technology and energy resources on the basis that as India would progress, there would be a demand for more energy and India's conventional energy resources would not be able to meet that demand. Thus, nuclear energy as an alternate and affordable option needed to be developed. To explore the nuclear option, nuclear reactor technology had to be understood and built upon. The government, after independence, established an institutional architecture for further nuclear research. The Indian Atomic Energy Act was modelled on the act of Britain that created British Energy Generation Limited. The British Act advocated tremendous secrecy over nuclear materials and the nuclear programme overall. India openly advocated for peaceful use of nuclear technology and yet the bill was adopted upon conditions of stringent secrecy on the lines of British act.

## CONSTITUENT ASSEMBLY DEBATES AND NUCLEAR QUESTION

Dr. B. P. Sittaramaiah and S. V. K. Rao raised the matter regarding nuclear issues in the Constituent Assembly Debates (CAD). Both advocated the need for clarification whether India could apply secrecy for the peaceful programme or whether India should harbor intentions of running a secret military programme. Nehru, under pressure, conceded in CAD debate on 6th April 1948 that he did not know how to distinguish between a civilian and a military programme.

In fact, S. L. Saksena argued that India should and must have nuclear weapons to prevent war. Nehru, while addressing both the CAD and the Parliament, agreed that India needed nuclear energy for peaceful purposes whereas Saksena asserted that the association of atomic energy and nuclear weaponisation is unavoidable.

However, Nehru certainly did not clampdown the option for subsequent heads of state to establish the initiatives for nuclear weapons and intimately linked nation building to power assertion. It was in 1948 that India passed its first atomic legislation to establish a framework to manage the Indian nuclear sector. The Atomic Energy Act 1948 modelled on the British Atomic Energy Act, established the Atomic Energy Commission (AEC) as the main regulatory body. In 1962, the Atomic Energy Act 1948 was superseded with a new Atomic Energy Act of 1962. Both the legislations have only centralised the Indian State Control over nuclear-related activities.





## THORIUM NITRATE ISSUE, INDIA-US AND CHINA RELATION

In 1951, the US passed Mutual Defence Assistance Act. The US, in 1953, launched the Atoms for Peace programme. India became a partner country in the Atoms for Peace initiative. The US provided thorium nitrate (a nuclear fuel) to India under Atoms for Peace and Mutual Defence Assistance Act of 1951. The US Mutual Defence Assistance Act stated that if the US supplies any nuclear materials to any country, then the recipient country could not trade materials given by the US with Soviet Union, its satellite states or any communist state. In 1953, China demanded thorium nitrate from India. India saw this sale as an opportunity to boost bilateral cooperation with China. India decided to send a shipment to China. The US, therefore, opposed India's bid to sell thorium nitrate to China saying that such a sale will violate the US Mutual Defence Assistance Act 1951. India asserted that American laws do not bind India and such laws have no jurisdiction over the territory of India. India stated that as a sovereign state, it reserves the right to decide about commercial diplomacy.

This emerged as a friction between India and the US but the matter was diplomatically resolved. The US allowed the existing shipment to be sent to China on the condition that India in future would not transfer the US material to any communist state. After India became independent it began to seek assistance from foreign nations.

## EXTERNAL SUPPORT FOR INDIA'S NUCLEAR POWER STRUCTURES

In 1955, Canada provided a 40-megawatt reactor, which used natural uranium and heavy water. In 1956, the British helped India to build the Apsara reactor. The heavy water was provided by the USA under a partnership called CIRCUS. India chose Canadian reactors because India possessed very limited foreign exchange and used this limited foreign exchange to purchase the only affordable reactors, which Canada offered. Canada further attached a no-strings policy on how the plutonium was to be used.

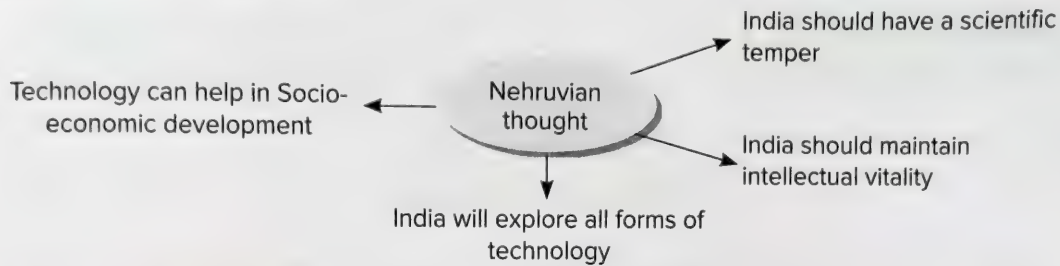
## INDIA'S PLUTONIUM BANK NEGATION DIPLOMACY

In 1957, Eisenhower Administration, which had proposed the Atoms for Peace Initiative in the UN General Assembly announced establishment of the International Atomic Energy Agency (IAEA) as an international body to assist other nations in peaceful use of civilian nuclear technology. The IAEA decided to establish tight safeguards over nuclear materials given to states. One of the points was plutonium generation. The IAEA asked that plutonium generated by states be given to IAEA, which would, in turn, allow some quantity to be kept with a country for non-military use. Bhabha opposed this policy and advanced that it was an inalienable right by a state to retain plutonium or any other fissile material. Ultimately, India won on this point at IAEA. A decision was arrived at that such safeguards would not affect socio-economic development of a country and India retained its right to have plutonium for future use. In 1958, a plant named Phoenix was established at Trombay to extract plutonium. In 1958, the government adopted a three-phase power production plan. India would first take assistance from Canada and develop uranium-fuelled reactors. As these reactors would operationalise, they would generate plutonium as a by-product. In the second stage, India would develop reactors, which would use plutonium and burn plutonium with thorium. The burning of plutonium and thorium would create uranium (U-233). In the third stage, India would use U-233; burn U-233 and thorium to produce more U-233 and nuclear energy.



## PRINCIPLES OF INDIA'S DOMESTIC NUCLEAR POLICY

The foundational ideas that dominated our development discourse after independence were a heavy industrialisation model and import substitution. It was believed that this model would push India to the next stage of growth. In this model, nuclear energy was to have a core role in providing electricity. Nehru and Bhabha had a confluence of ideas at this level as they both agreed that nuclear energy can take the country forward and help in achieving its developmental goals. Thus, Indian policymakers understood that nuclear energy can be an alternative to conventional energy and can be produced at a cheap price to achieve socio-economic goals. This plan of using nuclear energy for the stated purposes was institutionalised in the second Five-Year Plan.



The Indian scientists, by 1960, created fuel rods and used them for the first loading of CIRUS in 1960. The use of self-made fuel rods gave India the claim to use the resultant plutonium for future use.

## PRINCIPLES OF INDIA'S DIPLOMATIC NUCLEAR POLICY

India used 1958 to 1960 to articulate its Disarmament policy. After India became independent, the world was witnessing Cold War. India stated that Cold War is a situation where there is an ideological confrontation between the Americans and Russians. This confrontation is not just ideological but also military. This is so because both superpowers are living in a constant state of fear that the other opponent might attack. This is the reason why both superpowers are undertaking development of arms. They are developing arms to prevent an attack from the opponent. Such development of arms has caused an arms race between the superpowers. This arms race has adopted a nuclear component also and both superpowers are even trying to develop nuclear arms. All this arms development or armament is ironically happening when both superpowers have already stated that they will not fight militarily. India stated that such an arms race, which is a nuclear arms race, is a threat to the world and wastage of resource, preventing the development of the world. India stated that as a non-aligned country, India would contribute to maintenance of world peace.

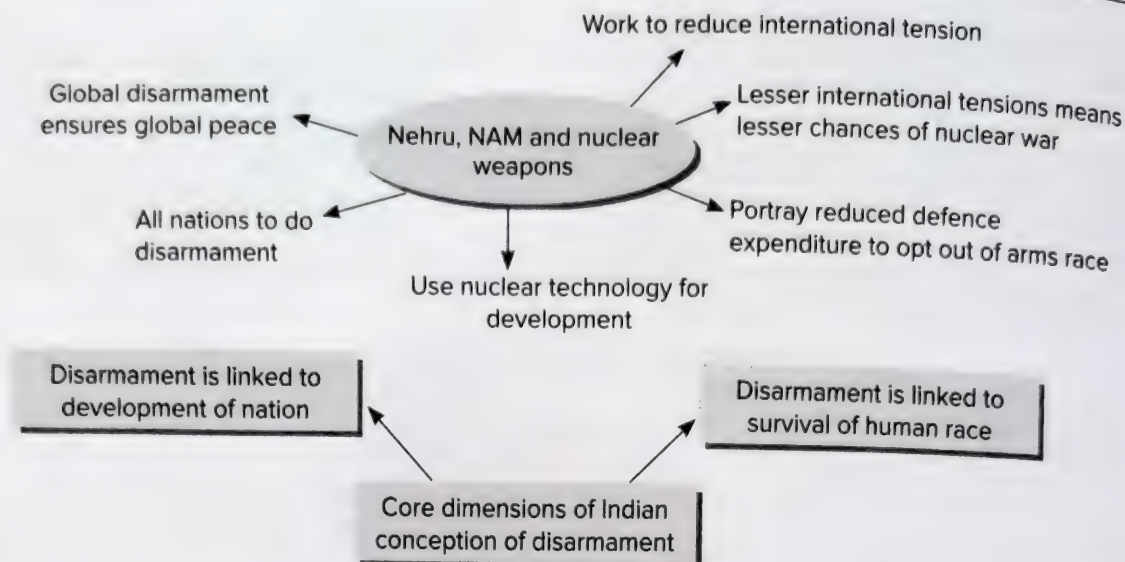
## INDIA'S STAND ON COMPLETE DISARMAMENT DIPLOMACY

As a non-aligned state, India favoured to advocate for disarmament. It is important to keep in mind the difference between disarmament and complete disarmament. If disarmament is about reduction of weapons, then complete disarmament is reduction and complete elimination of weapons. India stated that if states in the world start doing disarmament and eventually resort to complete disarmament, then there would be a nuclear weapons free world. In such a world, the states would be able to save a tremendous amount of resources and these resources saved can be channelised for development of humanity. This is why Indian strategy of complete disarmament was linked to development and well-being of humanity.

### What is Disarmament?

Disarmament is exactly opposite of armament. If armament is about increasing the number of weapons to prepare oneself for a potential attack from an adversary, then disarmament is about reduction of the weapons.





## INDIA AND PARTIAL NUCLEAR TEST BAN TREATY DIPLOMACY

Two remarkable events happened in 1962. First was the Cuban missile crisis and second was India–China conflict. The US, the USSR and Britain decided to work towards the reduction in nuclear escalation Cuban missile crisis. In 1963, they drafted a Partial Nuclear Test Ban Treaty (PTBT or LTBT). India found PTBT a favourable draft. The PTBT asserted that there should be complete prohibition on underwater, atmosphere and outer space nuclear testing. India ratified the PTBT, thinking that the PTBT is a step towards complete disarmament. However, China refused to conclude the PTBT, which aggravated tensions in India. India was unable to understand that what could be the rationale as to why did China not ratify the PTBT? China conducted a nuclear test in Lop Nur in 1964 and proclaimed itself as a Nuclear Weapon State.

## PUGWASH CONFERENCE

In 1964, there was a Pugwash Conference organised by world powers in India. Bhabha attended the Pugwash Conference in Udaipur in 1964. He presented that a country such as China having nuclear weapons can threaten India, and India had to either go for development of a nuclear weapon or collective security. Two things emerged here. Firstly, India was trying to articulate a collective security pact with the US or the USSR for security guarantee, which especially became more relevant post-1962. Secondly, India explored the option of going nuclear. At the Pugwash Conference, Bhabha gave a clear understanding of the problems lying ahead for India with a nuclear China around and effectively presented a likely course of action for India. Russians and Americans refused any collective security for India. The first nuclear test was conducted by China on 16th October 1964.

## LAL BAHADUR SHASTRI AND INDIA'S SUBTERRANEAN NUCLEAR EXPLOSION AUTHORISATION

A six-week debate in India from 16th October 1964 to 27th October 1964 brought a major shift in the Indian nuclear thought. After the nuclear test of China in 1964, days later, a pitch by Jan Sangh and Samyukta Socialist Party to allow India to possess nuclear weapons began. The debate saw tremendous pressure being exerted from the opposition parties. Though Shastri continued to follow Nehruvian line, he also continued to accelerate military rebuilding of India. As domestic pressure grew, Shastri, on 27th November 1964, announced the authorisation of subterranean nuclear test or a peaceful nuclear explosion in the Parliament. The period till 1965 saw Indian scientists debating costs and financial implications for the same. Bhabha also believed that a nuclear India would serve as a triumph for the third world and would strengthen democracy in Asia. The initial idea of a security guarantee could not work out as the US continued



with its alliance with Pakistan and India's own non-aligned credentials would not have favoured an active relationship with either the US or the USSR.

## INDIA'S NUCLEAR DIPLOMACY AT EIGHTEEN NATION DISARMAMENT COMMISSION

In 1965, Eighteen Nation Disarmament Commission (ENDC) was established to negotiate a nuclear Non-Proliferation Treaty (NPT). India was one of the eight non-aligned nations, along with the five US allies and five Russian allies that were part of the commission. India, at the ENDC, advocated that all 18 nations freeze nuclear weapon production and halt production of delivery systems, which would be the only move that would ensure that Non-Nuclear Weapons States (NNWS) would not go nuclear. India also clarified that a security guarantee could not deny nuclear weapons to NNWS and that only a complete disarmament by Nuclear Weapon States (NWS) can give assured satisfaction to NNWS. India also pitched that a global approach to disarmament is needed. This stance of India at the ENDC alarmed the US. On 24th January 1966, Homi J. Bhabha was travelling to Vienna on Air India flight number-707 (flight was from Mumbai to New York). The CIA of the USA had planted a bomb in the cargo panel of the flight. The bomb exploded midair and the plane crashed into Mont Blanc Mountains in the Swiss Alps.

## INDIA AND NUCLEAR NON-PROLIFERATION TREATY

The ENDC was concluded by the NPT in 1967. The provisions of the NPT were:

- The NPT as a treaty stated that the world would be divided into NWS and NNWS.
- The NPT said that the countries that have tested a NW (nuclear weapon) before 1st January 1967 were to be called NWS.
- The countries that had not tested a NW before the date fixed were thereafter labelled as NNWS.
- The NPT stated that NWS would not increase their nuclear arsenal and would undertake gradual disarmament.
- The NNWS, on the other hand, would not procure nuclear weapons. The NPT clarified that there shall be a review of NPT 25 years from the date of its enforcement.
- The NPT also said that in order to prevent any diversion of nuclear energy from peaceful to military use, the state parties to the NPT will accept the IAEA safeguards.

## REASONS FOR INDIA'S REJECTION OF NUCLEAR NON-PROLIFERATION TREATY

After looking at the draft, India refused to sign the NPT. India gave the following reasons for refusal.

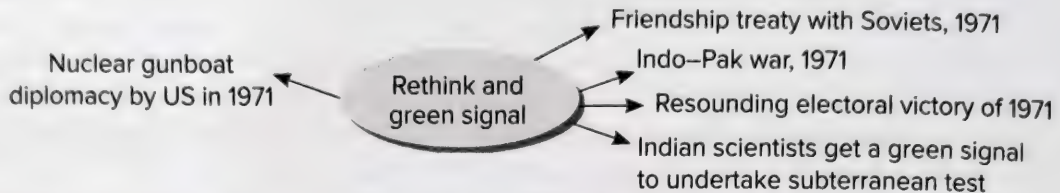
- India asserted that NPT was a *discriminatory treaty*, which had divided the world into nuclear haves and nuclear have-nots.
- India held that this distinction in the treaty was *highly arbitrary* in nature.
- India also said that the NPT as a treaty was *unfair* because it placed no obligation on nuclear weapon states to destroy their nuclear weapons and the gradual disarmament advocated therein was nothing more than eyewash.
- The NPT had set no time frame for complete disarmament and it was clear that the gradual disarmament advocated was not happening in the foreseeable future unless a timeline was adhered to by the states. Thus, NPT is *vague*.
- India clarified that under the NPT, if NWS were allowed to have a nuclear weapon, the NPT would be a *threat to India*.
- India aptly understood that NPT intended to augment *nuclear apartheid*.

The NPT was opened for signatures in 1968 and finally was enforced in 1970. The NPT created an impression that the emerging powers would not be allowed to have nuclear weapons and the monopoly over nuclear weapons was being legitimised by the superpowers.



## THE EXISTENTIAL THREAT TO SECURITY OF INDIA FROM US AND INDIA'S RETHINK

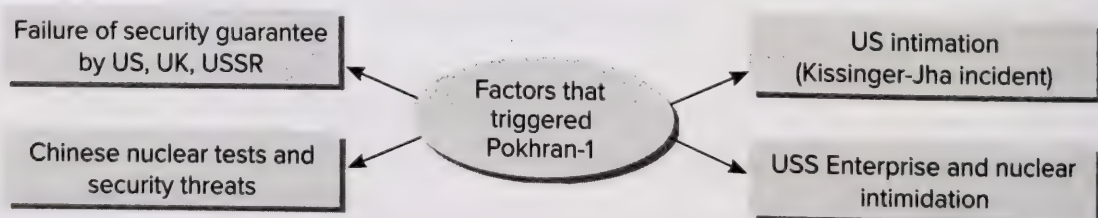
Indira Gandhi focused largely on domestic economy but certain events furthered India's urge to think about nuclear weapons. In December 1971, when the Indo-Pak war in East Pakistan broke out, the US dispatched a nuclear-powered aircraft carrier called USS Enterprise in Bay of Bengal to support Pakistan and threaten India. This made India rethink its post-war situation.



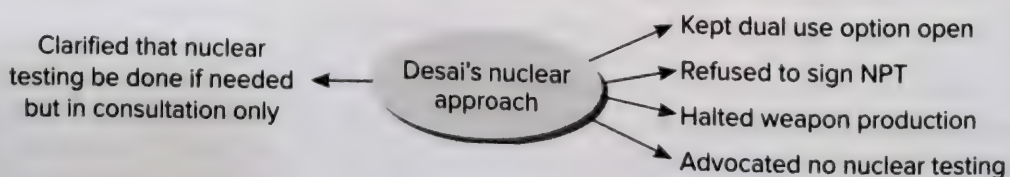
India had established a plutonium reprocessing facility at Trombay that had generated a huge stockpile of plutonium, which was weapon grade in nature. The operation of the Purnima reactor designed by the Bhabha Atomic Research Centre had provided Indian scientists the data needed for designing nuclear explosive devices. The scientists pressed the government to grant permission to conduct a nuclear explosion at the subterranean level for use in civil engineering purposes. The US and the USSR, during the Cold War period, conducted many Peaceful Nuclear Explosions (PNE). Indira Gandhi finally approved the PNE for Indian scientists in October 1972. One of the immediate factors that motivated Indira Gandhi to give a go-ahead for the PNE was the Bangladesh war.

## INDIA'S PEACEFUL NUCLEAR EXPLOSION, 1974 (OPERATION SMILING BUDDHA)

After the visit of Henry Kissinger to China, he told the Indian Ambassador to Washington, L. K. Jha, that if there is an Indo-Pak war over East Pakistan and in case the Chinese intervene in the war to support Pakistan, the US would not be able to support India. This incident was perceived by India as outright intimidation. Though no paper records exist for Indira Gandhi's decision to give a green signal for PNE, it is widely believed that this was one of the reasons that influenced her decision. Another reason was the continuous Chinese nuclear testing from 1964 onwards, which was certainly important in the security calculus of India.



India conducted Pokhran-I, a PNE, and codenamed as Operation Smiling Buddha. The US and Canada suspended all support to India and the Nuclear Suppliers Group (NSG) was formed in 1975. Domestically in India, emergency was imposed, which was followed by the Janata Party government in 1977 led by Morarji Desai till 1980. Desai reviewed India's nuclear policy.





## EATING GRASS TO MAKE NUCLEAR BOMB: PAKISTAN'S NUCLEAR FORAY

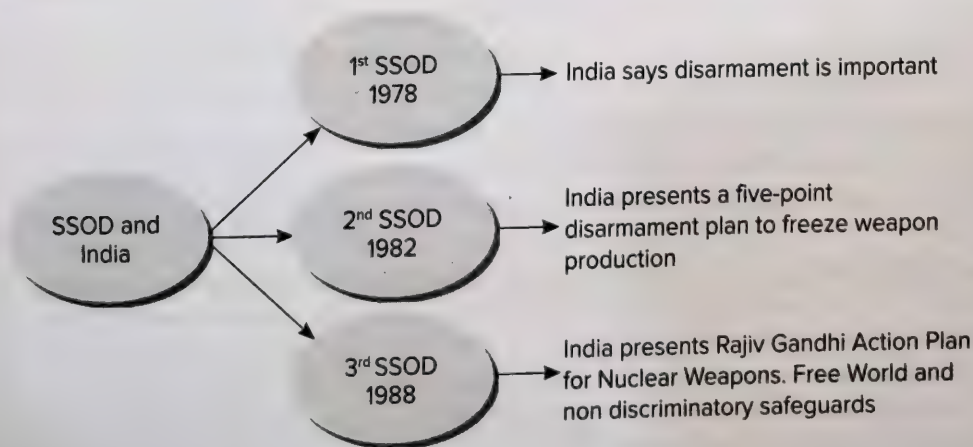
During the time of Janata Party government, RAW was able to gather intelligence about Pakistani nuclear activities at Kahuta. It is the site of the Khan Research Laboratories (KRL), Pakistan's main nuclear weapons laboratory as well as an emerging centre for long-range missile development. The primary Pakistani fissile-material production facility is located at Kahuta, employing gas centrifuge enrichment technology to produce highly-enriched uranium (HEU). Dr. A. Q. Khan was a German-educated metallurgist, who until 1975 was employed at the URENCO, uranium enrichment facility in Almelo, the Netherlands. A year after India's 1974 nuclear test, Dr. Khan departed URENCO with stolen blueprints for the uranium centrifuge, and information on URENCO's key suppliers. A. Q. Khan founded the Engineering Research Laboratories (ERL) on 31 July 1976, with the exclusive task of indigenous development of uranium enrichment plant. On 1 May 1981, ERL was renamed as Dr. A. Q. Khan Research Laboratories (KRL).

### RAW'S OPERATION KAHUTA

To gather intelligence related to Kahuta, Indian Research and Analysis Wing (RAW) launched Operation Kahuta. It was one of RAW's most ambitious and daring covert operations overseas, inside Pakistan. Kahuta was the answer to Zulfikar Ali Bhutto's silent prayers, who as Pakistan's Minister of Foreign Affairs had passionately vowed that Pakistan would build a nuclear bomb, even if the people had to eat grass (as he said in an interview with *The Guardian* in 1965). Under the leadership of Dr. A. Q. Khan (often colourfully referred to as the "rogue scientist") was born the "Islamic bomb". RAW actually found the answer lying on the floor of a barbershop. By analysing the hair samples (which were sent by RAW agents to BARC, New Delhi) of the scientists (collected from the barber shop near the plant where the scientists would go for getting a haircut), RAW discovered they had indeed developed the capability to enrich uranium to weapons-grade quality. The RAW managed to infiltrate the Kahuta plant in 1977.

### INDIA'S DIPLOMACY AT SPECIAL SESSION ON DISARMAMENT

The United Nations General Assembly, on request of the developing countries, launched a Special Session On Disarmament (SSOD) to achieve global disarmament. The first SSOD meet happened in 1978 and reaffirmed the need for disarmament. At the end of the first SSOD, the General Assembly established a Disarmament Commission comprising all UN members. The second SSOD happened in 1982 but failed to establish consensus despite an urgent need for disarmament. The third SSOD in 1988 also failed to establish a consensus.

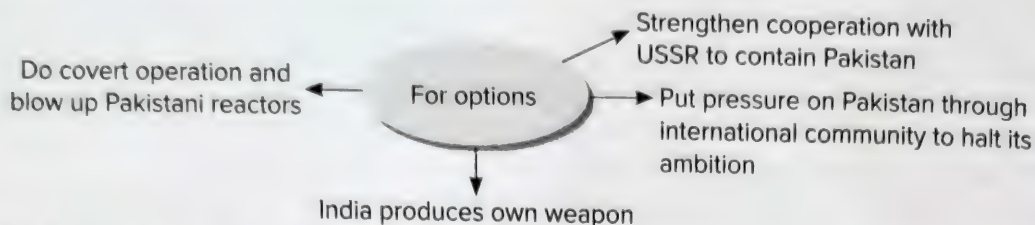


### INDIA PREPARES FOR NUCLEAR WEAPONS TEST IN 1982

By the time Indira Gandhi came back to power in 1980, reports of Pakistan having acquired nuclear capability were going around. Zulfikar Ali Bhutto, then head of state of Pakistan, acquired Saudi Arabian financing for nuclear weapon. The most important reason for Pakistan's going nuclear was India's already having done so. Pakistan perceived its nuclear



capability as a bargaining chip in the Kashmir in future. Indira Gandhi in the Parliament accepted Pakistan's right to go nuclear but maintained that India had an edge on "all aspects" over Pakistan.



Indira Gandhi adopted a wait and watch policy. Though reports do suggest that she planned to test nuclear weapons in 1982, when the US satellites captured images of the nuclear test preparations by India, the idea was immediately dropped.

## LAUNCH OF INTEGRATED GUIDED MISSILE DEVELOPMENT PROGRAMME

In 1983, India launched the Integrated Guided Missile Development Programme (IGMDP) to establish five guided missiles (Nag, Trishul, Akash, Prithvi and Agni). After India tested Prithvi in 1988, the MTCR was established. During the times of Rajiv Gandhi, Pakistan continued nuclear weapon development. As Pakistan had opted for a military programme since the beginning of their nuclear programme, money was judiciously used and, unlike India, did not divert the resources for civilian use.

## INDIA'S DIPLOMACY AT CONFERENCE ON DISARMAMENT

As the Cold War ended, in 1992, IAEA had also come out with a safeguard agreement and had stated that only full scope countries be entitled to get technology. The Nuclear Non-Proliferation Treaty (NPT) Review Conference was slated to happen in 1995. The end of the Cold War also saw the Indo-US rapprochement. In 1993, the Conference on Disarmament (COD) began. India participated in the COD and pitched for complete disarmament. The COD culminated in 1996 in a draft of the CTBT.

The provisions of CTBT are as follows:

- The CTBT firstly banned all forms of nuclear testing, including underground testing which, as an option, had been left open by the PTBT.
- The CTBT made allowances for computer simulation for improvement of the yield of bomb.
- Under Article 14 of the CTBT, it went on to assert that all countries of the world, which had nuclear technologies, were to mandatorily agree to the CTBT.
- A subsequent list of 44 nations was prepared which also included India.
- CTBT stated that the NWS would go for gradual disarmament.
- CTBT asserted that NNWS would not acquire an NW.

## REASONS FOR INDIA'S REJECTION OF COMPREHENSIVE TEST BAN TREATY

In 1996, India refused to sign the CTBT.

- India asserted that the *name of the treaty was faulty* and that it should be called 'Nuclear Test Ban Treaty' and not 'Comprehensive Test Ban Treaty' as it was banning nuclear testing even while keeping an option of computer simulation open for bomb improvement.
- India also asserted that Article 14 of CTBT *violated international law* as no treaty can compel a state to sign a treaty that the state had not intended to sign.
- India urged for removal of Article 14 and also refused to sign CTBT for its lack of commitment to complete disarmament and asserted the treaty to be *vague in commitments*.



- India asserted that *CTBT* aims to promote global discrimination by allowing NWS to keep their weapons intact and preventing NNWS to acquire weapons.
- India stated that *CTBT* is arbitrary because NWS do not need to undertake tests and for them, the point of computer simulation makes sense and they can improve their weapon yield; but for NNWS, who have no data, it makes no sense to have computer simulation.

## INDIA TESTS NUCLEAR WEAPON, 1998 (OPERATION SHAKTI)

The NPT Review Conference of 1995 also decided to continue the NPT in the same format without any change and advised no more reviews in future of NPT. Thus, in 1996, India refused to ratify both the NPT and the CTBT. Perceiving the trend of discriminatory global practices, India conducted Pokhran-II in 1998. From 11th May to 13th May, India carried out three nuclear tests in an underground format. After conducting the nuclear tests as Operation Shakti, India subsequently announced a nuclear doctrine and proclaimed itself NWS.

## ANNOUNCEMENT OF INDIA'S NUCLEAR DOCTRINE

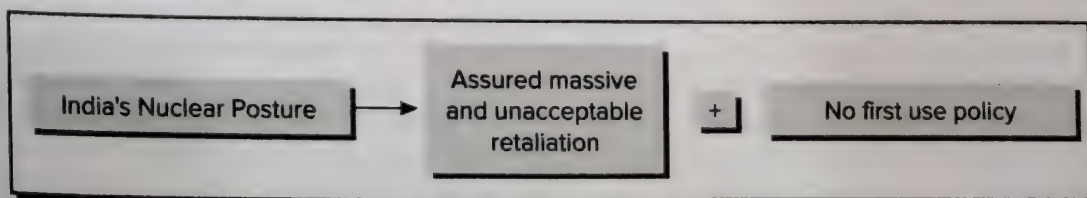
Indian Nuclear Doctrine (IND) was announced on 4 January 2003. Its features are as follows:

- Seek a credible minimum deterrence
- The policy of no first use
- Undertake massive and unacceptable retaliation on first strike
- Civilian nuclear command be under the control of civilian political leadership
- Non use of nuclear weapons against non-nuclear weapon states
- Usage of chemical or biological weapons by any state against India or Indian armed forces anywhere will lead India to respond with nuclear retaliation
- Self-imposed moratorium on further nuclear testing
- India is still committed for nuclear weapons free world

## ASSESSMENT OF INDIA'S NUCLEAR DOCTRINE

The phrase, Credible Minimum Deterrence, means that India has not developed a weapon to be used in a war. It has developed a weapon (which is a credible tool) to prevent states to blackmail India with nuclear retaliation. The word Minimum Deterrence means that India shall not keep its weapon in the state of readiness all the time as the possession of the weapon itself is a sufficient condition for deterrence to others who may blackmail India.

India clarified that on first strike, it will resort to massive and unacceptable retaliation against the adversary state. This was India's concept of credible minimum deterrence. India's nuclear posture is defined not by the number of weapons in its total arsenal but how it will inflict damage on an adversary as a retaliatory strike of first use by others. India has tactical nuclear weapons launch capability. The weapon launch system is called Prahaar and has a range of 150 to 300 kilometers and it can be used for conventional and tactical nuclear use. Though India is not interested in projecting any tactical nuclear fighting posture (despite Pakistan having tactical capabilities), because India's posture is of massive retaliation in response to nuclear use against its forces or territory.





## INDIA'S NUCLEAR FIRST USE POSTURE

The core purpose of India to have nuclear weapons is to have them for national security in a world of anarchy and blackmail. India has not acquired its nuclear weapons to rectify military imbalances or assert regional superiority but serve the purpose of deterrence. However, debates have arisen about the efficacy of the NFU Policy. Some scholars assert that the Indian NFU is a pious hope without covering other Nuclear Weapon states. In this case, assuming that India might shift to first use policy, the question arises, would it serve any purpose? The answer is no. Because a first use policy does not prevent blackmailing threats and more so, is destabilising in nature. In this case, India's NFU is at least deterring the use of weapons of NWS. There could be a situation, however, where a NWS could threaten India with a nuclear strike and an assessment by India could establish that the threat was imminent. In this scenario, would India resort to a first strike? The nuclear doctrine is silent on this and this remains a grey area. Thus, Indian NFU and its deterrence have provided the needed protection to India. The nuclear choice of India may have been couched in moral terms but has been expressed in realistic terms.

## INDIA'S DISARMAMENT DIPLOMACY FROM 1947 TO 1998

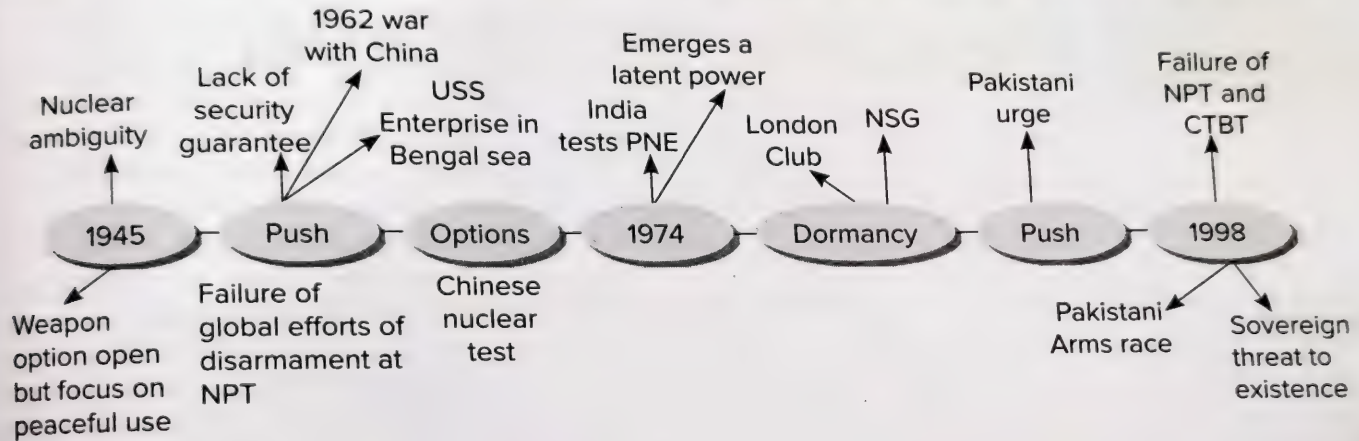
The time period from 1958 to 1960 was also used by India to articulate its disarmament policy. After India became independent, the world was witnessing Cold War. India stated that Cold War is a situation where there is an ideological confrontation between the Americans and Russians. This confrontation is not just ideological but also military. This is so because both superpowers are living in a constant state of fear that the other opponent might attack. This is the reason why both superpowers are undertaking development of arms. They are developing arms to prevent an attack from the opponent. Such development of arms has caused an arms race between the superpowers. This arms race has adopted a nuclear component also and both superpowers are even trying to develop nuclear arms. All these arms development or armament is ironically happening when both superpowers have already stated that they will not fight militarily. India stated that such an arms race, which is a nuclear arms race, is a threat to the world and wastage of resource, preventing the development of the world. India stated that as a non-aligned country, India would contribute to maintenance of world peace. India stated that the best way to maintain world peace is to go for disarmament. It is exactly opposite of armament. If armament is about increasing the number of weapons to prepare oneself for a potential attack from an adversary, then disarmament is about reduction of the weapons. India stated that as a non-aligned state, not only would it favour disarmament as an immediate step, but in the long run advocate for complete disarmament. It is important to keep in mind the difference between disarmament and complete disarmament. If disarmament is about reduction of weapons, then complete disarmament is reduction and complete elimination of weapons. India stated that if states in the world start doing disarmament and eventually resort to complete disarmament, then there would be a nuclear weapons free world. In such a world, the states would be able to save a tremendous amount of resources and these resources saved can be channelised for development of humanity. This is why Indian strategy of complete disarmament was linked to development and well-being of humanity.

## INDIA'S DISARMAMENT DIPLOMACY SINCE 1998 AND THEORY OF PROPORTIONATE DISARMAMENT

India tested the nuclear weapon in 1998 and proclaimed to be a nuclear weapon state. Does that mean India has switched over from its goal of disarmament? It is important to remember that India remains committed to a verifiable, global, non-discriminatory disarmament and a nuclear weapon free world. But India has stated that till the time nuclear weapons remain in the world, India will continue to use its deterrent capabilities for 'credible deterrence'. It is true that large military and nuclear capabilities cannot bequeath India with a tag of a 'Great Power', but a grand strategic vision that amalgamates military power with a doctrine of national security can advance its march towards such a status certainly. India has clarified that if the world goes for complete disarmament and establishes a nuclear weapon free world, and then India shall also undertake complete disarmament. But, even if one state in the world continues to have a weapon, India shall reserve the right to use its deterrent capabilities for 'credible deterrence'. This means that today, India's disarmament is proportional to the disarmament of the world. Since the end of the Cold War, India has become an ardent supporter



of a multipolar world. A multipolar world is possible only if it is non-hegemonic, and by extension, non-nuclear. India has stated that possession of nuclear weapons is antithetical to the achievement of a non-hegemonic international order. Since the two states are non-compatible, the only logical step India favours is a complete nuclear disarmament. A more equitable international order is possible only if the nuclear weapons are eliminated. India has tried to link democratisation of the international order as a core principle leading to the evolution of national domestic democracy. India has pitched for complete elimination of nuclear weapons by all states in the world as a pre-requisite for its own national security.







# 3

CHAPTER

## Nuclear Security Challenges for India in the Post-Pandemic World Order

### DEBATE ON CHANGING INDIA'S NUCLEAR DOCTRINE AMIDST THE TWO-FRONT CHALLENGES

Doctrines are a function of threats, capabilities and war objectives for any nation. In the recent times, there is a growing clamour amongst the political circles, intellectual class and the general public in India seeking a review of the Indian Nuclear Doctrine (IND). Let us first understand the scenario under which we are debating a possible shift in our nuclear doctrine. Nuclear first use usually refers to the first use of tactical nuclear weapons against conventional forces of the adversary, which threaten to break the adversary. Nuclear first strike means the use of nuclear weapons to attack the other side's nuclear arsenal to pre-empt an imminent nuclear strike or to prevent a nuclear strike sometime in a longer-term but foreseeable future. Pre-emption and prevention go against current doctrine of India. Contemplating a nuclear first strike posture implies moving policy from the threat to use nuclear weapons against population centres (in a retaliatory strike) to the threat to hit the other side's nuclear weapons (before they hit us). Unless India's military is incompetent, there is only one theatre in which it is possible, Kashmir. One could imagine a situation where deeply alienated Kashmiris in the Valley combine with jihadis and militants with support from Pakistani irregulars (as in 1948) and later Pakistani regulars to encircle Indian forces. Is the situation in Kashmir, after revocation of Article 370, that dire? A second first-use circumstance is if China attacked India in strength. Given force numbers, terrain and infrastructure in Tibet, Chinese forces could push Indian forces back to some depth along a broad front. Or China might make a more localised grab; say, for Tawang (given that the monastery there has significance for Chinese control of Tibet). Or worse, China might push past the border to the plains of India. Let us leave aside whether these scenarios with China are at all likely. Certainly, a Chinese thrust into the plains would be military madness given the logistical challenges and India's ability to devastatingly counterattack. In confronting a more powerful China, India will find roles reversed: China will have escalation dominance in relation to India. Would India choose first use against the PLA in this situation? A third circumstance is a two-front war in which India fights Pakistan and China simultaneously. A first-use strike against either Pakistan or China (or both) could give India breathing space or jolt Islamabad and Beijing into terminating hostilities. The problem here is that if China by itself has escalation dominance against India, how much worse would the situation be for India in a two-front war? The strategic uncertainties of first use against either adversary or both in a two-front war are so great that it boggles the mind. What kind of strategic calculations about first use would make any sense? Is it even likely that hostilities would be confined to India, Pakistan and China? Would it ever get to the point of a two-front war given the interests of the US and Russia? This is based on certain threats being perceived from Pakistan and China along with a generic perception of weakness of India to tackle these threats due to No First Use (NFU). It is very clearly known that Pakistan developed nuclear weapons to seek parity with India. Pakistan has since then used nuclear rhetoric to prevent India to retaliate using conventional weapons. According to many scholars, this has limited India's options to hit Pakistan. There is a hardliner constituency that asserts that India needs to give up NFU. This is because Pakistan has developed tactical nuclear warheads and hardliners are of the opinion that India should develop such warheads and prepare for nuclear escalation if needed. Similarly, even though China maintains the policy of NFU; still China has not clarified whether it applies this policy against states possessing a nuclear weapon or is it universal NFU against NWS and NNWS.



This is why Indian strategic community feels that an ambiguous nuclear doctrine of China has heightened the security concerns for India; thereby, growing the clamour for revisiting the IND. Even though, the Indian government has time and again clarified that Indian nuclear weapon is only for deterrence and not for usage in war, the clamour is still growing.

## **STRATEGIC, DIPLOMATIC AND ECONOMIC CHALLENGES IF INDIA REVISITS ITS NUCLEAR DOCTRINE**

The government can try to keep the public confidence high by periodic statements about up gradation of the nuclear arsenal. This will instill confidence in the public and help mitigate concerns in the society of lack of commitment of India in using the nuclear weapons. However, there is counter current to this debate that asserts there is no need to revisit the IND. This group asserts that any attempt to tamper the IND will fritter away all gains enjoyed by India in the international community as part of our restraining posture. This will only complicate India's integration into the multilateral export control regimes. Also, it increases government expenditure to maintain the command and control. In fact, by changing the no first use to first use, there is a high possibility that India will weaken its possibility for a conventional war due to nuclear overhang. Most importantly, South Asia will be painted as a nuclear flashpoint and will encourage foreign meddling, affecting strategic autonomy of India. In all instances, from Kargil to 2001 Parliament attack and 2008 Mumbai attacks, India demonstrated extraordinary restraint and did not cross over the LOC to retaliate. Pakistan, without any fear of retaliation from India, continued to sponsor terrorism. In 2019, Pakistan breached the red lines again when Jaish-e-Mohammad (JeM) resorted to a suicide bombing attack on a CRPF convoy in Pulwama. This time, India resorted to massive air strikes inside Pakistan. Not only did India breach the LOC, but also hurt Pakistan deep inside their state. Many assert that such postures of India have shifted Indian strategy of restraint. However, the reality is that all these Indian responses only assert that India is trying to recalibrate its doctrinal strategy to militarily respond to Pakistani adventurism. This has brought the idea to revisit the IND and accept the new challenges. As the clamour for this grey area in IND grows, it causes more uneasiness in the West regarding massive doctrinal shift in the IND and its impact on the Asian strategic stability.

## **INDIA'S READINESS TO TACKLE THE THREAT OF NUCLEAR TERRORISM**

India has been a victim of state-sponsored terrorism by Pakistan for a long period of time. Over a period of time, through various approaches and strategies, India has managed the threat of tanzeem-centric terrorism emanating from Pakistan. However, with changing dynamics of terrorism, the possibility of Pakistan resorting to nuclear terrorism always remains high. While it is next to impossible for tanzeems of Pakistan to get hold of a nuclear weapon off the shelf and use against India, but the tanzeems can use two potential strategies. First, they can resort to a cyber intrusion into India's nuclear facilities. Secondly, the tanzeems could use a conventional weapon and infuse nuclear material into it to cause a low-intensity detonation and a psychological blow to the public. Out of the two, the first one seems more prominent and Indian security agencies must enhance cyber capabilities. An important aspect for India to work on would be to evolve a framework on how to respond if the adversary resorts to a nuclear catastrophe.

## **CANISTERISATION OF INDIA'S NUCLEAR ARSENALS AND INDIA'S NEW NUCLEAR SOPHISTICATION CURVE**

In 2021 and 2022, India has tested Shaurya hypersonic missile and Agni-P missiles. These missile tests have triggered a flurry of analyses by strategic experts who assert that India has made improvements in the nuclear and hypersonic arsenal's level of readiness and argued that dangerous prognostications exist about these missile developments for strategic stability between India and Pakistan. While there is no official change in India's nuclear doctrine and policy of NFU, the operational posture of India's nuclear readiness has undergone a drastic shift with these tests. With the Agni-P test, India has officially entered the realm of canisterisation of missiles, which will now enable India to undertake rapid deployment because the warheads could now be mated with missiles and placed climate-controlled tubes that would prevent further damage. The canisterisation will enable India to use an ambiguous posturing against Pakistan which refuses to go for NFU doctrine and eventually nullify the asymmetric escalation posture of Pakistan.



**QUESTIONS FOR PRACTICE**

S. No.	Questions for practice
1.	Given the fact that both India and Pakistan are equipped with a nuclear deterrent, does not India realise the danger of cold start?
2.	Why is the nuclear and conventional arms control a 'non-issue' in the current and past talks between India and Pakistan?
3.	How do we define 'minimum' in India's nuclear doctrine of minimum credible deterrence?
4.	How far is Chinese nuclear commerce with Pakistan a violation of Chinese membership of NSG and what steps have other NSG members taken to check this?
5.	Indian disarmament policy has changed post-India's nuclear testing in 1998. Discuss the major shift in the Indian disarmament diplomacy.
6.	We must not be frightened by the bogey of foreign designs upon India and not allow the forces to turn into an octopus bleeding daily for support. Analyse words of Sardar Patel in reference to the debate of INS Arihant.



# SECTION 11

## INDIA'S RELATIONSHIP WITH AMERICA

- 1. India's Relationship with Latin America
- 2. India's Relationship with the United States of America

### AN OVERVIEW

The US is one of the favourite areas of the UPSC from where regular questions are asked. The questions range from defence to commercial to nuclear dimensions of diplomacy.

**Potential foresight** The content in this section is extremely exhaustive for readers to grasp the minute details of every aspect of diplomacy from where questions can be asked.





# 1

## CHAPTER

# India's Relationship with Latin America

### **LATIN AMERICA: HOW THE TERM WAS COINED**

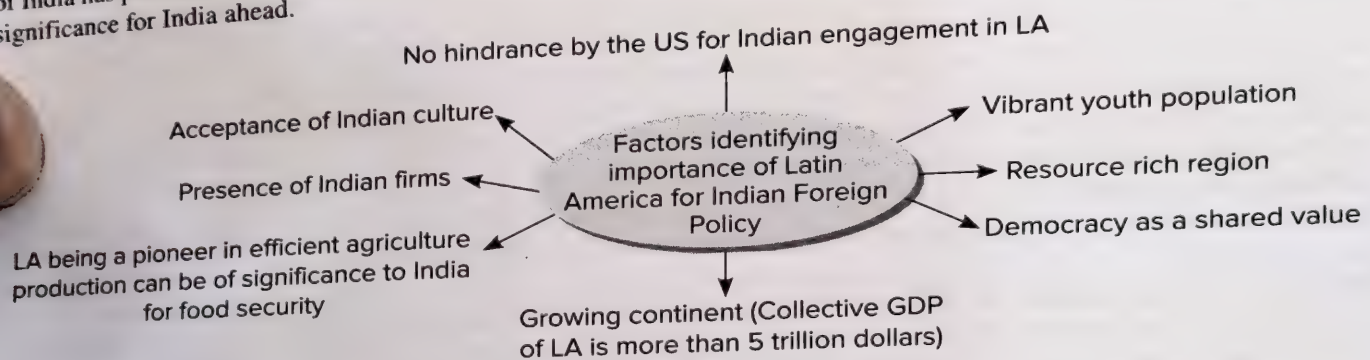
Spain and Portugal have been colonial rulers of the entire Latin American region. In fact, Spanish is the most commonly spoken language in the region. Brazil is the only Portuguese-speaking nation, surrounded by other Spanish-speaking nations. These European languages, namely Spanish, Portuguese, French, Romanian and Italian, are derived from Latin during the time of the Roman Empire in Europe. The Europeans who speak these languages are known as Latin people. In the 1860s, the French Emperor Napoleon III tried to extend his imperial control over the region. It was during his administration the term 'Latin America' was coined. Today, it is widely referred to as South America.

### **LOCATING LATIN AMERICA IN INDIA'S NATIONAL INTERESTS**

Latin America (hereafter referred to as LA) is an emerging growth pole in the 21st century. India exercises deep cultural influence in LA. The Indian influence is seen in arts, dance, philosophy and yoga. In Brazil, yoga is very popular and yoga centres can be seen in almost every nook and corner. The Indian films resonate very well with the LA population. Initially, LA used to view India as a land of magic and mysticism, whereas today it views India as a rising power and an emerging market economy. When India became independent in 1947, it propounded the idea of non-alignment in the era of bipolarity. India, in the initial years of its independent existence, faced crises situations because of its hostile neighbours and hence, neglected LA. Thus, firstly, the Indian policy, in the initial two decades, focused on curbing threats emanating from the neighbourhood. Secondly, India also tried to use non-alignment to reconnect with countries where it had some interaction due to the presence of British in India. During this period, LA was completely neglected. India, under the British, never had extensive interaction with this region. Also, in the strategic calculus that emerged in the aftermath of its independence, LA never acted as a threat to India. Both these factors to some extent were responsible for a lack of initiative from the Indian side to pitch up the relations. Though India did establish diplomatic relations bilaterally with the countries in LA in the early 1950s, the tone of foreign policy remained low. For India, executing the ideas of decolonisation and non-alignment was a priority, but the ideas did not resonate well with the LA nations. Jawaharlal Nehru visited only one LA nation, that is, Mexico, in 1961, during his term as Prime Minister. The improvement in the relationship with LA began in 1960s. The establishment of G-77 and the United Nations Conference on Trade and Development (UNCTAD) brought about resurgence. The G-77 and UNCTAD challenged the existing global model of development dynamics and gave thrust to South-South Cooperation. These two platforms provided India and LA a common base to interact and evolve new development dynamics. As the interaction between India and LA increased, the two evolved mutual interests and this marked a new phase of cooperation moving away from the erstwhile neglect. The cooperation that began then continued to deepen and its manifestation was seen finally in the non-aligned movement (NAM). By 1983, at the NAM Summit, there was participation of fifteen states from the LA and Caribbean. Initially, the LA nations were not keen on the NAM ideas; however, what brought them into the orbit of NAM was the internal change in NAM itself. The NAM, in 1960s, began to mold itself as a platform to initiate an



economic diversification in foreign policy and gradually increased its global economic assertiveness. In India, in 1960s and 1970s, there was a growing rhetoric to tilt towards leftism. The domestic campaign of Garibi Hatao, nationalisation of banks etc. and conclusion of the 1971 Treaty of Friendship and Cooperation with the USSR championed the wave of Third-Worldism and a revisionist agenda for a new dynamic of development. This led to attempts at the international level to establish a New International Economic Order, which consequently brought India and LA closer to each other. India's relations with LA states have improved in the post-Cold War period. The Indian private sector has become an immediate connector in the region. India exports tons of raw materials to LA. This helps LA to use its own private sector to use the raw material import to make finished goods and thus participate in the global supply chain. The trade quantum of India is less in comparison to China, though, a significant difference being that China exports finished goods to LA, while India provides raw material that gives it an edge to produce its own goods to sell at the global economic level. LA has also emerged as a continent of hope in Indian energy security thought. The Indian PM met his Brazilian counterpart in 2014, when he visited Brazil to participate in the BRICS Summit. Since 2014, the government of India has prioritised the development of its economy through foreign policy maneuvering, LA can hold tremendous significance for India ahead.



## INDIA'S MERCOSUR AND FOCUS-LAC DIPLOMACY

As the Cold War ended, India attached greater significance to LA nations. It has increased bilateral political visits with the individual nations of the region. This has led to rise in bilateral trade. In 1997, the government initiated the FOCUS-LAC (Latin America and Caribbean) Project. The aim of the project was to enhance the presence of the private sector in the region. Over a period of time, a lot of Indian firms have made their presence felt in the region. Most of the countries in the region, namely Chile, Brazil and Argentina, are rich in oil and copper. They are also all pioneers in agricultural production. India has made its presence felt in not only hydrocarbons but also in IT, corporate governance and the consultancy sector. India has an FTA with Mexico, Columbia and Peru and PTA with Chile, Brazil and MERCOSUR.







## INDIA AND ARGENTINA RELATIONS: THE PAKISTAN AND KASHMIR THORN

As India marginalised LA during the Cold War, it faced two consequences for its neglect. The most immediate price was at the UNSC vote on the issue of Kashmir. After the first Indo-Pak war in 1948, when India took up the matter of Kashmir at the UNSC, Argentina recommended that Pakistani armed forces should be allowed in Kashmir even when the UNSC was negotiating a demilitarisation of the area. This instance exposed India to the consequences of its lack of initiative to build up relations with LA. As a learning measure, India prioritised building up relations with all nations to garner support for the Kashmir issue, which, till then, was neglected. Secondly, when India used military force in Goa to seek its liberation from Portugal in November 1961, it led to Brazil showering severe criticism on India as Brazil had sided with the Portuguese on the same. This instance also marked a low point in the relationship.

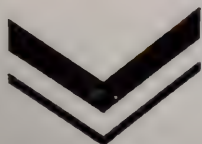
## INDIA AND ECUADOR RELATIONS: KHALISTAN EXTREMISM FACTOR

In 1984, India closed its embassy in Quito, Ecuador. It cited lack of finances as the reason behind the decision to close down the embassy. However, in July 1985, some reports began to emerge from Ecuador. This period of 1985 was a troublesome period for India because of the 1984 Sikh riots and Khalistani extremism. Reports from Ecuador suggested that an Ecuadorian delegation had met Khalistani extremists in London and Ecuador was on the verge of giving recognition to a Khalistani government in exile. India was deeply concerned about the issue. Within a few days of India taking up the matter, the Ecuadorian administration announced that the team of people meeting Khalistani leaders in London was a private affair with the Ecuadorian government having no say in it. The issue gradually dissipated but because of the closure of the embassy in 1984 and subsequently weak bilateral relations, India could not exercise any leverage over the issue that was about to challenge Indian sovereignty on an international scale.

## FUTURE CONNECTORS FOR INDIA AND LATIN AMERICA

In 2010, Argentina imposed restrictions on Chinese goods. Up till 2010, the China–Argentina trade relation never saw any swing. China had been importing a huge amount of soya oil from Argentina, which was its major export commodity. As Argentina imposed restrictions on Chinese goods entering its economy, China, in retaliation, stopped soya oil import. The Argentinean economy was badly affected, and India seized the opportunity and tripled its soya oil imports from Argentina. Thus, India coming to the rescue of Argentina in the soya oil import case bolstered the Indo-Argentina ties. Even today, a lot of Indian firms can be seen establishing their presence in Argentina.





# 2

## CHAPTER

# India's Relationship with the United States of America

### **COLONIAL ELEMENT OF INDIA'S RELATIONSHIP WITH THE US**

As India was a British colony, the communication between India and the US, at an independent level, was impossible. It was F. D. Roosevelt who realised that India could play an important role in the World War II. According to Roosevelt, India could act as a block to resist Japanese aggression in South Asia and provide the needed resistance for war efforts. To ensure that India participates in the World War II, the nationalist leaders of India were to be taken into confidence. The nationalists stuck to one particular point—that India would support war efforts provided the British give them independence in return. Roosevelt, for that matter, took up the Indian issue with Churchill. The British did not appreciate the US prodding their affairs, which resulted in some tension in the US–British alliance. As far as the US was concerned, it was of the opinion that as the Allied powers are fighting for independence and right to self-determination (RTSD), they should also in turn liberate their colonies, which were fighting imperialism for the same reasons. In fact, the fundamental disagreement over India can be best elaborated if we look at how the US and the British viewed the Atlantic Charter (AC), which was a pivotal policy statement issued during the World War II on 14 August 1941, which defined the Allied goals for the post-war world. The leaders of the United Kingdom and the United States drafted the work and all the Allies later ratified it. The Charter stated the ideal goals of the war—no territorial aggrandisement; no territorial changes made against the wishes of the people; self-determination; restoration of self-government to those deprived of it; reduction of trade restrictions; global cooperation to secure better economic and social conditions for all; freedom from fear and want; freedom of the seas; and abandonment of the use of force, as well as disarmament of aggressor nations. Adherents of the Atlantic Charter signed the Declaration by United Nations of Allies on 1 January 1942, which became the basis for the modern United Nations. The Article 3 of the Charter advocated the idea of RTSD. The Atlantic Charter mentioned that all participating allies in the war needed to ensure that once that war would over, the people belonging to the lost territories after the war would have the RTSD. Churchill's view was that this Atlantic Charter point of RTSD held exclusively for Nazi areas won in the war. However, for Roosevelt, the Atlantic Charter was a universal proposition and also applied to territories under colonial rule. Thus, for the US, India was a rightful claimant to RTSD.

### **IDEOLOGICAL DIVIDE BETWEEN INDIA AND THE US DURING THE COLD WAR**

The period of the Cold War subsequently remained a low phase in the Indo-US engagement. This is so because India adopted non-alignment and the US became the spreader of capitalism. As they became ideologically opposite, the relationship tensed. The ties became strained as the US brought the Cold War at the doorsteps of India by making Pakistan a member of CENTO and SEATO. This made India tilt towards USSR, which eventually made the US more suspicious of India. The US, throughout the Cold War, still tried to provide India with assistance at the economic and social level. This was due to the fact that they found synchronisation with India, as India was a democracy; which since the end of the Cold War became a 'shared value' between the two. Also, such assistance would allow the US to have presence in India and enable them to keep a check on China and prevent India to gravitate completely towards USSR. This is the reason why the US displayed willingness to support India with arms when India made a request at the time of Sino-Indian conflict in



1962. The US, however, threatened India in 1971 with nuclear retaliation in the India–Pakistan war. This has remained a scar on the bilateral ties till today with many in the ‘establishment’ of India remaining skeptical of the US. After 1974 Peaceful Nuclear Explosion, the US isolated India by creating the Nuclear Suppliers Group (NSG). All these prove that ties remained low in the Cold War.

## INDIA AND THE USA: THE ‘NATURAL ALLIES’ SINCE END OF THE COLD WAR

### India on Ukraine Crisis

In recent times, India has been criticised by certain segments in the US for having an independent and neutral stand on Russian invasion of Ukraine. India's stand is apparently based on a four-point agenda of respect for territorial integrity, sovereignty of states, UN Charter and international law. Today, these four points are at the core of the Indo-Pacific strategy and in this backdrop, India's strategy on Ukraine is a mirror of the Indo-Pacific thought.

The Indo-US ties have strategically deepened since the end of the Cold War. There have been three core factors that have facilitated the strategic convergence. First, when the Cold War ended, the international strategic environment changed because of the disintegration of USSR and it shifted the global and regional realities. This led the two to explore a new depth. Second, at the end of the Cold War, India opened up its economy, compelling the American businesses to look at India as a vibrant market. Third is a three million strong diaspora of India, which acts as a bridge between India and the US. The upward trajectory of the Indo-US ties began with Atal Bihari Vajpayee's era in India, which called India and the US as ‘natural allies’ while Obama hailing India and the USA relations as a ‘Defining Partnership in the 21st Century’. The US has realised the importance of India in the Indo-Pacific region and is keen to integrate India into the new strategic space.

### THE STRATEGIC ELEMENT OF INDIA AND THE US RELATIONS

India and the US relations today are determined by a new sense of strategic cooperation. A true strategic cooperation is never a relation of complete convergence but one which manages differences through dialogue and channelises the differences to create a new realm of opportunities, a realm that fits India and the US. The new areas of opportunities, the two sides identified are summed up below and elaborated in the chapter ahead.

Strategic and defence diplomacy	Energy and climate change diplomatic cooperation	Science and technology diplomacy	Health and innovation diplomatic cooperation	Education and development diplomatic cooperation
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## INDIA'S DEFENCE NEGOTIATION BEHAVIOUR WITH THE UNITED STATES

The first ever step of defence diplomacy between India and the US was seen in 1962 when India had a conflict with China. At that time Nehru, in a letter to John F. Kennedy, had sought US military help. The then Foreign Secretary of India, M. J. Desai, had conveyed categorically to the then US Ambassador to India, John Kenneth Galbraith, that India would seek military aid from the US provided that the US does not insist on alliance formation. When China came down the Himalayas in 1962, President Kennedy sent Ambassador Harriman and Carl Kaysen to see whether they could get Pakistan to withdraw its forces from the Indo-Pakistan border, so that they could be sent to the Chinese border. Prime Minister Nehru was supposed to have told Harriman and Kaysen that Pakistan would not oblige whereas, amusingly, Finance Minister Morarji Desai told them that they should not worry because “even if the Chinese occupied India”, that would only be “for maybe a thousand years” and that eventually “India would throw them out”. The US agreed to provide military support to be airlifted to India. However, the two sides perceived this initial cooperation very differently. The US saw the Sino-Indian conflict as an exercise that would allow the US to explore a common working ground with India. For the Indians, it was limited assistance and much lesser than what they expected, which also eventually was stopped in 1965 when another war with Pakistan broke out. For India, the cooperation was insignificant in contrast to Indian cooperation with the USSR. Since the end of the Cold War, both India and the US have steadily



improved their security cooperation and both sides have signed many security agreements over time. In 2020, the US blocked the attempt of Pakistan to place the name of an Indian engineer, Venu Madhava Dongara, before the UNSC 1267 Sanctions Committee.

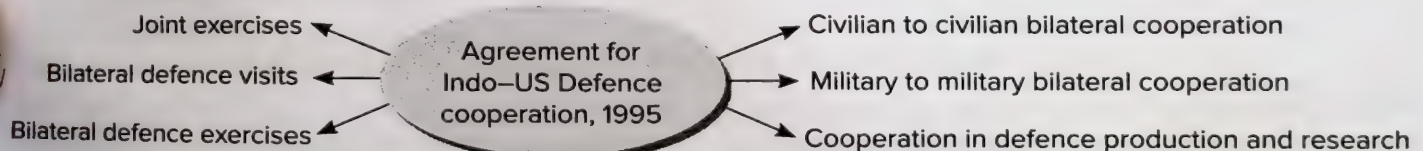
## INDIA'S DEFENCE AGREEMENTS WITH UNITED STATES AND FOUNDATION OF DEFENCE DIPLOMACY

### Agreement Number 1: Kicklighter Proposals 1991

In 1991, the commander of the US Army Pacific, Claude Kicklighter, sent a proposal to the chief of Indian Army General Sunith Francis Rodriguez. These proposals were known as the Kicklighter proposals and envisaged bilateral visits, training and conferences between India and the US. An important dimension also was the participation of India in regional conferences sponsored by the US. A new defence policy group was also established. The approval for the Kicklighter proposals had to come from Indian Ministry of Defence. The clearances came very slowly and painfully.

### Agreement Number 2: Agreement Minute on Defence Relations 1995

In 1995, the two sides concluded an agreement called the agreement minute on defence relations or framework for defence cooperation. The US officials were again puzzled as this agreement too was negotiated by the civilian bureaucracy in India and was again slow in process and was just concluded a month before the visit of Secretary Perry from the US to India in 1995.



### Agreement Number 3: General Security of Military Information Agreement (GSMIA) 2002

In 2002, GSMIA was signed. In Indian Ocean, a tsunami occurred in 2004 and it struck Sri Lanka, Indonesia, Maldives and other areas, compelling the Indian Navy to launch a mega disaster relief operation. The US appreciated the Indian Navy's swiftness while India appreciated the American Navy's professionalism and logistics. The two decided to work together to provide immediate post-disaster relief.

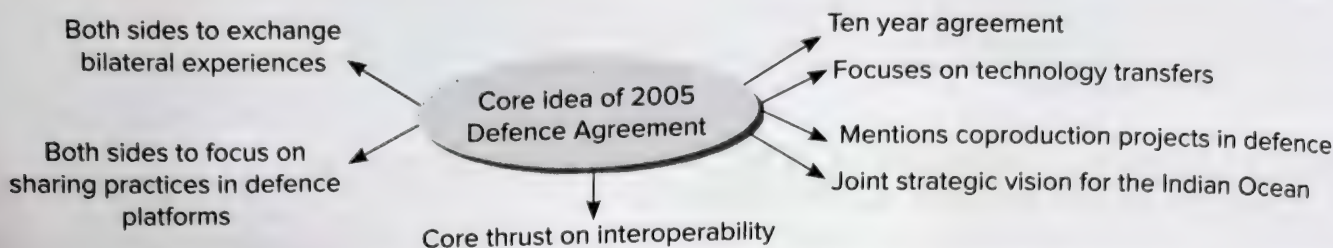
### Agreement Number 4: Bilateral Security Cooperation 2004

The joint experience of 2004 tsunami gave rise to emerging bilateral security cooperation, which had never been witnessed before. This led the two sides to establish cooperation at the dimension of naval diplomacy with humanitarian applications.

### Agreement Number 5: India-US Defence Agreement 2005

Though framework for defence cooperation had been established in 1995, at the time of implementation there was a perceived gap in the objectives that each side intended to achieve. For the Indian civilian bureaucracy, technology access was the core objective while the Indian military envisaged access to specialised courses and equipment. On the other hand, the US officials wanted military contacts with future interoperability as the objective. The defence relations were further enhanced in 2005 when the two sides concluded a framework agreement where both, for the first time, accepted common interests and shared beliefs in values such as freedom, democracy and the rule of law. There was a decision taken to give a public character to the emerging bilateral relationship. The 2005 agreement identified thirteen broad activities that both sides decided to envisage bilaterally. A dimension of cooperation in missile defence was added in the 2005 agreement.





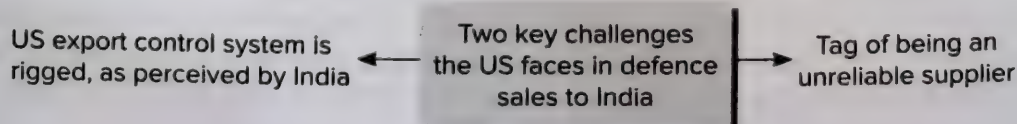
### Agreement Number 6: Defence Technology and Trade Initiative 2013

In 2013, the US Deputy Secretary of Defence, Ashton Carter envisaged a defence technology initiative (DTI) with India. India perceived it as majorly a DTI; while for the US, it was more a defence trade initiative. The initiative was finally called the DTTI or defence technology and trade initiative. The DTTI enabled the US to develop insight into Indian defence negotiation behaviour.

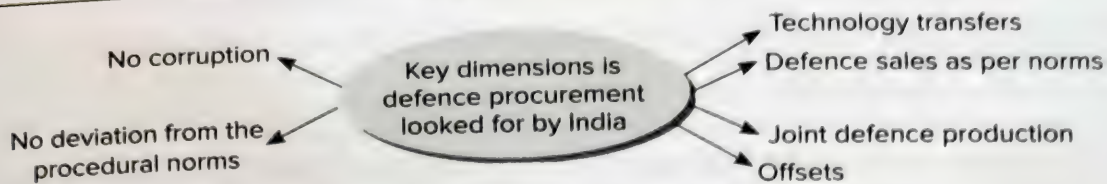


From the Indian perspective, under DTTI, the core goal of defence engagement with the US is based on transfer of sophisticated military technology from the US to India for supporting domestic development of defence equipment. India believes that any military diplomacy with a foreign state should assist the Indian defence industry to undertake production of technology in India. For India, the maintenance of a credible strategic autonomy is possible only if India develops a capable defence industry domestically. For the US, its defence diplomacy with India is to establish a long-term relationship that would allow both India and the US to jointly address contingencies in the region that may arise in the future. For the US, if India purchases defence products from them and uses their equipment, then interoperability gets drastically enhanced. For this, the US favours more bilateral military exercises to establish technical interoperability. The DTTI provides for a fulfilling attribution in cyberspace in areas of artificial intelligence, cyber security and 5G technologies. India, in recent times, has started positioning itself as a net security provider in the Indian Ocean region as an extension to India's quest of regional supremacy. Indian officials believe that any interoperability with the US will be an unwanted intrusion into sovereign Indian space. Indians favour a one-time transaction over establishing a partnership with the US, as they still perceive the US as an unreliable supplier. This is because, as per the US laws, the US Congress, even before the transaction is consummated, can block or amend a sale agreement through legislation. A precedent can be cited in the way, after the 1974 nuclear test by India, the US halted fuel supply to the Tarapur Plant despite a thirty-year supply agreement. Though the bilateral Indo-US defence trade does not require licensing anywhere, there is a perception amongst the Indian side that the US Arms Export Control Act will act as a burden on defence purchases made by India.

The DTTI is driven by a shared commitment to defence trade, elimination of bureaucratic obstacles, promotion of a collaborative technology exchange, strengthening of cooperative research and enablement of co-production and co-development of defence systems for sustainment and modernisation of the military.





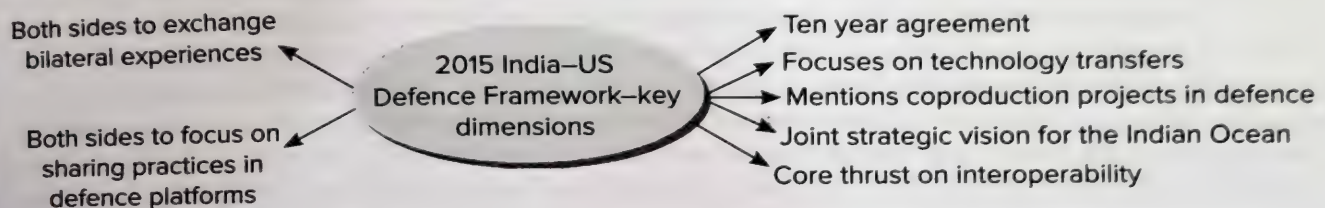


### Agreement Number 7: Strategic and Commercial Dialogue

The Obama administration started it and the focus of the dialogue was to create synergies at defence and foreign diplomacy level. The strategic and commercial dialogue (SCD) was eventually replaced by the two + two dialogue in 2018.

### Agreement Number 8: India-US Defence Agreement 2015

With the coming of the Modi government in 2014, India and the US concluded a ten-year framework agreement for defence cooperation in 2015. What makes the 2015 agreement different from the 2005 agreement is its focus on more areas of cooperation. The diagram below shows the 2015 India-US defence framework.



### Agreement Number 9: Foundational Military Agreements 2016

The strategic convergence is designed as part of functional military relationship and foundational military agreements of the US. In 2016, the US proposed India to sign these agreements. The defence products from the US come with their own set of obligations for security requirements. The foundational military agreement is one of the forms of these obligations. The US has four of them. The first is General Security of Military Information Agreement (GSMIA) which India and the US signed in 2002. The second is Logistics Exchange Memorandum of Agreement (LEMOA). The third is Communication Compatibility and Security Agreement (COMCASA). The fourth is Basic Exchange and Cooperation Agreement for geo-spatial cooperation (BECA), for which negotiations have begun since 2020.

### Agreement Number 10: Major Defence Partner Tag to India

The Obama administration designated India as a 'Major Defence Partner' in 2016, which makes India eligible to access US defence technologies at par with the closest allies of the US of NATO plus five. This put India into an elite club of the US allies (of NATO and bilateral alliances) that are allowed to access premium US technology, along with co-production and collaboration.

### Agreement Number 11: Logistics Exchange Memorandum of Agreement 2016

The LEMOA is an agreement that is broadly related to cooperation in naval logistical exchange and troops stationing. For India, the LEMOA has been modified to keep in mind Indian concerns; for instance, the agreement ensures that it warrants no foreign troops of the US to be stationed in India. The agreement only envisages refueling and birthing facilities for aircrafts and naval ships without a huge rigmarole of clearances being involved from different ministries. This will enhance joint cooperation in humanitarian relief of the two at the naval level.

### Agreement Number 12: Communications Compatibility and Security Agreement

Americans feel that Communication Interoperability and Security Memorandum Agreement (CISMOA) will facilitate interoperability in defence communications. Though the US preferred to sign CISMOA, India had raised objections to its name and as a result, the US changed the name to Communications Compatibility and Security Agreement (COMCASA).



The aim of CISMOA, now COMCASA, is to provide India with transfer of high-quality communication security equipment that will facilitate interoperability between Indian and the US forces. These US based systems of communication security equipment are used for secured data links. If the US will give this equipment to India, then both the countries can seek interoperability between forces and also between other countries that use same US origin equipment. In the strategic community of India, it was believed that the Doklam crisis (2017) was the immediate trigger for India to go for COMCASA. During the Doklam crisis (explained in the chapter “India and China Relations”), India had no intelligence on the troop movement by China. It was only after the troops came close to the sight of the soldiers on the border did India got to know. This was the time when Indian strategic community realised the significance of the US intelligence on the Chinese troop movement had such an arrangement was in place. India has been using less secure communication security equipment and the US feels that because of such lesser secure requirements, a functional military relation with India will be difficult to build. As the US has granted India a tag of ‘Major Defence Partner’ where it will sell high-end defence technology to India. The US realises that absence of COMCASA can be a hurdle for it to sell MH-60R multi-role helicopters and twenty-two MQ-9 Sea Guardian (which will create 2000 jobs in America), High Altitude Long Endurance (HALE) drones (a weapon sold previously to NATO allies only) which India wants (to prevent any misadventure by China in Indian Ocean and another repeat of 26/11) as they are dependent upon very high-quality secure data and communication systems. The main purpose of the US to push India to go for COMCASA and to ensure that its technologies at the military level are not leaked to any third party. Also, India is dependent on less secured communication system and unable to share real-time data with other friendly states in cases of humanitarian relief operations and defence exercise. The agreement is valid till 2028 and either side can terminate the agreement at any point, by giving a six-month notice. The COMCASA does not put India into any high table of defence in the strategic calculus of the US. The agreement has only ensured that India is in the league of states—Egypt and Morocco—which have similar agreements. Interoperability is just a natural by-product of the agreement. This does not mean that the US will come to fight on behalf of India in case of war. The only advantage of the agreement is that it will facilitate the information sharing that will help in the war exercises of the two states. Secondly, the US will share real-time sensitive operational information used from ground to air communication. The arrangement will also allow India real-time access to US intelligence and real-time imagery. As per some military officials of India, the signing of COMCASA has compromised India’s strategic integrity. This is because the US has always pushed COMCASA as an attempt to balance China, compelling India into ‘anti-China’ logic, which India is not comfortable with. However, India will now be in a position to have access to real-time intelligence on troop mobilisation by its adversaries, which it did not have during Doklam crisis. India realises that US communication equipment is intrusive. It violates Indian sovereignty, as US inspectors, under COMCASA, will have a right to inspect Indian bases that will install such communication equipment. The US have a similar agreement with South Korea and the language of the agreement with South Korea is highly intrusive. Thus, some experts in India feel that India has implicitly accepted the extraterritorial application of American laws. This is at variance with end-user monitoring agreement (EUMA) between India and the USA in 2009. The EUMA stated that US inspectors would not inspect Indian bases about the status of both. The government has not clarified anything. India also feels that COMCASA equipment will not be compatible to Russian and indigenous Indian military platforms. India’s concern is that if they use COMCASA equipment, then the US could monitor Indian activities and this may violate India’s sovereignty. Thus, India favours checks and balances to be inbuilt which address Indian concerns. The US has modified the CISMOA to COMCASA where it has categorically asserted that the COMCASA communication links will apply only to the weapons that the US supplies. The US will not be able to share Indian data, from Indian platforms, with any other country and will not access data without permission. The US is also concerned that as India has purchased Russian S-400 Triumph air defence system—a system so advanced that it can track all aircrafts, UAVs and missiles—it may conflict with the US as S-400 can allow Russia to access US information as S-400 Triumph is a mega complex of radars, control systems and missiles. The US has reasons to worry because S-400 can map America’s superior F-35 fighters (which have a unique feature of low observability character). The third concern is that if the US installs any communication system in India under COMCASA, it would affect and compromise the secrecy of military installations in India. Some experts have raised a question that as the US is not going to anyway stand behind India in case of a future conflict, why is such an agreement even needed? The US will ensure that if it provides any equipment under the agreement, such equipment will be operational all the time. This is an important point for India because it ensures that in future, if it has a conflict with another state, then the US will not shut off COMCASA equipment. The data encryption and decryption codes of equipment under COMCASA will be of the US origin. Technically, this means that the US will be able to access Indian



data. But the Indian negotiators in RAW were able to bargain that the US would not share data they generate from Indian platforms with any third country or entity without the authorised consent by India. In fact, India has requested the US to devise encryption and decryption codes exclusively for the use of India.

### **Agreement Number 13: Indo-US Strategic Trade Authorisation (STA): From STA-2 to STA-1**

Since 1974, after India conducted the Peaceful Nuclear Explosion (PNE), the US tried to deny India with high technology. This changed after the 2008 Indo-US nuclear deal, under which the US decided to provide high technology to India. Whenever US exports defence technologies of (civilian and military) dual use (present in the commerce control list and munitions list maintained by the Department of State) to any state, there are two factors looked into. The first is 'regional stability' of the state. The second is 'political determination' to provide the technology. In 2011, to ease out transfers of defence technologies of dual use and create jobs, the Obama administration carried out a comprehensive review of the US export control systems. The Obama administration created a new concept known as STA that was aimed at a license free and license exempt regime. This led to creation of STA-1, STA-2 and commerce control lists (dual use list). The states that were not a part of these lists could apply for a license for the items that were mentioned in the commerce control list. STA-1 (36 states) and STA-2 have created hierarchies of states under which the US would certify a state as a 'good country' (one which would not contribute to proliferation). STA-1 includes those states that have an impeccable non-proliferation record and are trusted allies of the US who are exempt from licensing regime for dual use technologies from the US. STA-2 states do enjoy licensing exemptions but cannot access dual use technologies from the US. India was in the STA-2 list till 2018 before being elevated to STA-1. Then there are states that are outside STA-1 and STA-2 and cannot access American high technologies. There are exceptions like Albania (NATO ally in STA-2), Israel (not in STA-1), Philippines and Pakistan (non-NATO allies of the US is in no list). The jump from STA-2 to STA-1 is a great leap for India, which will provide India with access to high technology and commerce. There are two major benefits for India. First, the industries can setup manufacturing bases in India and need not worry about licenses anymore. Second, a third country can come to India; setup a manufacturing unit in it with import of high technology from the US, with great ease. The designation of India in the STA-1 category is a 'reaffirmation' of India's 'impeccable record' of being a non-proliferator and both states through this have been able to overcome a 'long arc' of 'hesitation of history'.

### **Agreement Number 14: Indo-US Two Plus Two Dialogues of 2018**

The strategic and commercial dialogue (SCD) was replaced by 2+2 dialogue. Initially, India was reluctant to go for 2+2 dialogue because it perceived such a format alien to any diplomatic or strategic intercourse. The 2+2 dialogue, between the defence and the foreign ministers of the two states, is a mechanism to deepen strategic, defence and security cooperation. During the first meeting in 2018, the two sides concluded various agreements, as mentioned in the 'Joint Statement on the Inaugural India-US 2+2 Ministerial Dialogue'.

1. COMCASA (as explained above).
2. Memorandum of Intent (MoI) was signed between the US Defence Innovation Unit and the Indian Defence Innovation Organisation.
3. Agreement for Industrial Security Annex was contemplated. It is an agreement that will allow the US government to share classified information to boost defence manufacturing in India.
4. Agreement to bring India in the Counter ISIS Finance Group (CIFG), which is an international group to degrade and defeat the ISIS. This will involve cooperation at the level of intelligence sharing, counter terrorism and cyber security. The Indian Intelligence Bureau is the nodal agency to coordinate with the US Terrorist Screening Centre, administered by the FBI.
5. India was able to secure a waiver under CAATSA (*an American law which sanctions countries in the world that deal in financial transactions with Iran, North Korea and Russia*) for its dealings with Russia and Iran.

The 2+2 dialogue has indeed opened up a 'new era in defence and strategic engagement between India and US' and the outcomes are rightly touted as two plus two turning five. The US has established US Naval Forces Central Command (NAVCENT), which is in Bahrain and India has been included as an official member state.



## Agreement Number 15: Indian Ocean Cooperation and Training Exercise 2019

In December 2019, the signing of the MoI between the US Defence Innovation Unit (DIU) and the Indian Defence Innovation Organisation–Innovations for Defence Excellence (DIO-iDEX) had also set the roadmap for possible defence research on a sustained basis. To strengthen cooperation in the Indo-Pacific region, the two sides had launched Indian Ocean Cooperation and Training Exercise in 2019. It would enable India and the US to jointly strengthen the capabilities of the states in the Indian Ocean to combat regional issues ranging from piracy to trafficking to terrorism.

## Agreement Number 16: Indo-US Two Plus Two Dialogues

In 2019, during the 2+2 dialogue, the US announced that India would be stationing an Indian Liaison Officer in NAVCENT. The NAVCENT is responsible for anti-piracy operations and counterterrorism in areas ranging from Red Sea to Arabian Sea and the Persian Gulf. The presence of India in NAVCENT would enable India to play a larger role in the Indian Ocean region. In the dialogue, the two sides decided to make tri-services exercise Tiger Triumph an annual event. In the dialogue, the two sides agreed to undertake greater information sharing, expand defence trade, place defence liaison officials in each other's territories and conclude defence-enabling agreements. Till now, India engaged with the US Pacific Command on maritime issues. Since 2020, India has expanded the naval cooperation and included cooperation with the US Centcom and Africa Command as well. This has given India a wide access on multilateral engagement from West to East.

## Agreement Number 17: Industrial Security Annex 2020

### Defence Sales from the US to India

Just before the visit of Donald Trump to India in February 2020, the two sides signed 3.5 USD billion worth defence deals. India decided to purchase 30 heavy-duty armed helicopters. This included 24 MH-60 Romeo multi-mission helicopters, armed with MK-54 torpedoes and precision kill rockets, for the navy (which would arm the navy to check Chinese forays in Indian Ocean) and 6 Apache attack helicopters for the army. By 2022, army would get six choppers armed with stinger air-to-air missiles and Hellfire Longbow air-to-ground missiles. India had already purchased 22 Apache attack helicopters for the army in 2015. In 2020, the US also sold Integrated Air Defence Weapon System (IADWS) worth 1.8 USD billion to India.

The two sides also concluded Industrial Security Annex (ISA). The Modi government had initiated the 'Make in India' programme. Under this, India wanted the US to transfer technology to India and manufacture defence products in India under license or other mechanisms. This required the US to bring to India the complete military industrial ecosystem. Such an ecosystem would not only support the nascent Indian defence-manufacturing sector but also help ease pressures on overburdened Indian defence public sector; which are overburdened in meeting past orders and receptive to embrace any new technology. The ISA provided the momentum for collaboration because it would facilitate a regime for technology transfer and facilitate domestic capacity building. The ISA would facilitate exchange of classified military information between the two states. It would provide protection to the American firms involved in defence manufacturing and create a positive regime for harnessing and developing technology in India. Tata Boeing Aerospace Ltd. and Tata Lockheed Martin Aerospace structures Ltd. are positive templates for a successful ISA ahead.

## Agreement Number 18: Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation 2020

The Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation would allow India to access advanced satellite and topographical data for long-range navigation and missile targeting. The agreement was under negotiation and India signed it in 2020.

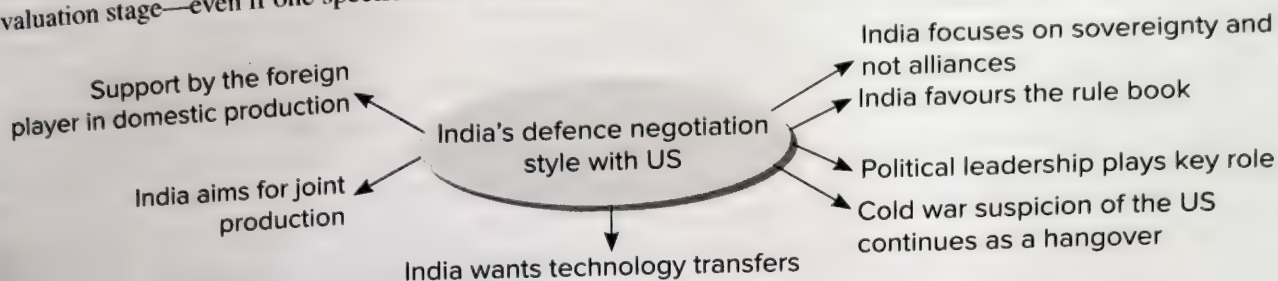
## STRUCTURAL PROBLEMS AND ISSUES IN INDIAN DEFENCE NEGOTIATION STYLE WITH THE US

**Structural Problem** The difference in the structure of defence establishments in India and the US often create different worldviews, thereby, at times, causing friction in the process of security cooperation. In India, the civilian bureaucrats, often with no

experience in national security, have an upper hand; while in the US, it is the military officials who have an upper hand in military diplomacy.



**Negotiation Strategy Problem** The US officials face difficulty in negotiating prices with Indians. Indian Defence Procurement Policies have no concept related to life cycle costs. The US equipment is costly. While the pre-bid phase of acquiring technology is on, India favours deals on the basis of fixed costs. The US suppliers, on the other hand, assert that they do offer expensive equipment but later, the costs can come down when it comes to contracts for long-term maintenance as they see a product through its complete life cycle. Thus, the US suppliers favour 'life cycle costs'-based bidding whereas the Indians are skeptical about such moves. Furthermore, India favours more customisation of equipment owing to the broad variety of conditions in which the Indian military operates. The Israeli and French bidders excel in coordination over their US counterparts. India is also very particular in ensuring that bidders meet all specifications at the evaluation stage—even if one specification is not complied with, India rejects the bidder.



## AREAS OF FUTURE DEFENCE COOPERATION

There is one-way India and the US can deepen their defence cooperation, which can also help address certain deep-rooted fears Indians have of the US. The F-16 aircrafts are manufactured by an American firm called Lockheed Martin. Today, the US military is no longer requiring F-16 aircrafts. The US Air Force will only require servicing of existing F-16s till 2040. The Lockheed Martin F-16 aircrafts are highly needed by Indian Air Force. They are also used by 25 other states, including Pakistan. India and the US can explore a new opportunity here. As Lockheed Martin does not have much business left in the US, it is planning to shift out its entire F-16 production line to India. Tata Advanced Systems have shown an interest in collaborating with Lockheed Martin. If the two states can reach an understanding where Lockheed Martin shifts the production line to India, this will be a game changer. India will not only produce Lockheed Martin F-16s (a boost to Make in India), but also would become a global hub for manufacturing and services of the same. As of now, India is one of the biggest buyers of American defence products. However, the US should note that the defence relation cannot only be a buyer-seller relationship and India cannot be a junior partner in the Indo-Pacific region. The US has to undertake technology transfers and focus on aggressive co-production, possible after ISA-2019, to ensure that India emerges as a hub of defence products for buyers in Asia and Africa.

## RUSSIA FACTOR IN INDIA-US RELATIONS AND ANALYSIS OF THE CAATSA CONUNDRUM

For India, the S-400 offers an unmatched long-range requirement for its air force. It has the capability to constrain the air operations of the adversary within their own airspace and can destroy high-value air assets of adversary with a secondary missile capability, which is way beyond the capability of the US Patriot PAC-3. The issue with the US is not just a technologically advanced S-400 with its friends and allies but such technologies having capabilities to impede American technology transfers and joint operations. The CAATSA law has been a deadlock between India and the US for a long time. The US has not been happy with India's decision to purchase S-400 from Russia and general defence

### India and the US 2+2 Dialogue 2022

India and the US defence diplomacy has now acquired a new character. The two sides have identified new opportunities that extend the operational reach of bilateral militaries across the expanse of the Indo-Pacific region. This is significant because an analysis of agreements of bilateral defence cooperation till now indicated an urge of India to strengthen its own defence segment but now India aims to develop its military for a larger role in the Indo-Pacific realm. The 2022 Dialogue saw India and the US concluding MoU on space situational awareness that would strengthen the bilateral engagement in outer space cooperation. The two have also concluded agreements to enhance warfighting capabilities in cyber domain.



engagement with Russia. The law is not designed to punish countries that have maintenance requirements from Russia but to prevent addition of significant high-end technologies from Russia. The law does provide for exceptional waivers that its friends and allies might require but not a blanket ban that India seems to expect from the US. It is equally important to understand that CAATSA does not only apply to S-400 but even other procurements of India from Russia. They include multiple agreements that India has signed with Russia since 2016 such as supply and local production of four Project 11356 frigates for navy, procurement of 21 Mig-29 and 12 Sukhoi-30 fighters and domestic production of Russian AK-203 assault rifles. While fighters and frigates do come under the “capable contemporary platforms” which are prescribed under CAATSA, but India seems to exercise the “grey area” to argue that the acquisitions of fighters and frigates only add on to capacities of existing platforms built by Russia and are not under any contemporary platforms criteria. The point is further explained by India when it argues that the defence exercises done by India and Russia are not just lesser in number than they do with West and its allies but also that exercises with Russians do not involve any interoperability as it does with the West. However, the US knows that India’s defence relationship with Russia is historic and has legacy issues. The US agrees that India drifted towards the Soviet Union during the Cold War because the US was less generous towards India then. The US knows clearly that sanctioning India under the law will not only strain the emerging strategic element of India and the US relationship but will take the strategic engagement back by decades. It is in this backdrop the US has realised that the only way to wean away India from Russia is by assisting India in developing a defence manufacturing base and nurture the same through co-production and co-development.

## **TOWARDS AN INDIA AND US CONVERGENCE IN COUNTERTERRORISM**

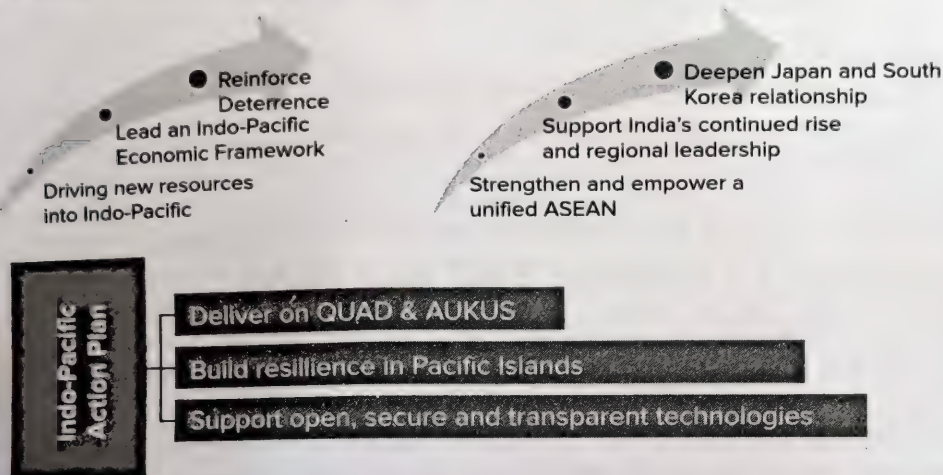
The counterterrorism cooperation between India and the US has been a new chapter in the relationship and can be traced to end of the Cold War. In 2000, the two signed the Indo-US Statement on Joint Working Group on counterterrorism. This was further built in 2010 when the two concluded Strategic Dialogue and in 2011, conceptualised a Homeland Security Dialogue. In 2011, an Indo-US Counterterrorism Cooperation Initiative was launched and in 2015, a Declaration on counterterrorism was eventually signed. In 2019, an Indo-US counterterrorism in Table Top Exercise for QUAD Countries was envisaged. Even though the two nations have clearly articulated the areas of convergence but the convergence has not seen any policy outcome because the security environment in which the two countries operate are different. One plausible reason that explains this divergence is ambitions of state. The US is a global hegemon and looks at security threats from the globe that emerge to challenge the American hegemony. The Indian side, on the other hand, does aspire to be a global superpower but is presently focused on becoming a regional hegemon first. In this sense, the Americans are driven by a normative approach and favour to create broad global norms that prevent hegemonic threats but India is more concerned on tackling terrorism sponsored by Pakistan in Kashmir and rest of India. In recent times, India and the US have tried to achieve cooperation and synergy through a bilateral approach that includes designating Hizbul Mujahideen as a Foreign Terrorist Organisation, oversee the designation of Masood Azhar under UN 1267 List and designation of Pakistan in grey list of the FATF. The US, however, remains more concerned on not isolating Pakistan, which remains the fulcrum of anti-India terrorism. In this backdrop, as the US fixation on Pakistan weakens gradually, India must focus on exploring counterterrorism consensus in the Indo-Pacific region and the Indo-US Counterterrorism in Table Top Exercise for QUAD Countries should be seen as the beginning of a new norm.

## **JOE BIDEN'S INDO-PACIFIC STRATEGY**

After being appointed as President, Joe Biden announced his Indo-Pacific strategy. The strategy reflects the geopolitical shifts in the region and importance America attaches for regional security and prosperity. The document unveiled reflects how the US views regional complexities, opportunities, challenges and how it, intends to maintain a rules-based order with its friends and allies. In the document, China has assumed the most significant presence owing to its material capabilities and expansion of capacities in South China Sea, East China Sea, border with India and Pacific Island presence. The document assesses that the Chinese have a desire to solidify their regional sphere of influence in the Indo-Pacific region and aspires to become the most influential power in the world; however, the US seeks to limit the assertive behaviour of the Chinese through creation of minilaterals in the Indo-Pacific region with like-minded countries and strengthen the



norms, rules, institutions in the region than adopting any confrontational approaches. Such a strategy, which is not confrontational but seeks to compel Chinese to adopt a rules-based behaviour is a normative strategy built on multilateralism. In this backdrop, it is clear that the larger approach is not to change China but shape the strategic environment in which the Chinese operate. The advantage of such a normative approach is to create spaces where cooperation with the Chinese in non-traditional security arenas such as climate change, terrorism and non-proliferation is an open domain. The Indo-Pacific Action Plan is built on certain elements like...



### Indo-Pacific Economic Framework

It is one of the action plans of the Indo-Pacific strategy of the US which focuses on facilitating high-standards trade, governing the emerging digital economy, improving supply-chain resiliency and security, catalysing investment in transparent and high-standards infrastructures, and building digital connectivity with the ultimate aim of doubling down the economic ties to the region while contributing to broadly shared the Indo-Pacific opportunity.

In this sense, the approach of Biden is different from Donald Trump and the difference can be succinctly captured in the table below.

Element	Donald Trump's Indo-Pacific Strategy	Joe Biden's Indo-Pacific Strategy
Indo-Pacific Strategy	Calls out Chinese as an authoritarian state that resorts to unfair practices to achieve economic dominance and exploit vacuums left by the US since end of the Cold War. In Trump's view, the US must enhance its own military capabilities to tackle China.	Engage with allies and friends in the region based on shared values and improve their levels of interoperability, information sharing, capacity building and preparedness across the spectrum of conflict.
Role envisaged for India	India to emerge as a counter to Chinese assertions in the region.	India to emerge as a net security provider first and a preferred security partner eventually in the region.
India's perception	Welcomed the relevance of India but reluctant to play a counter to Chinese.	Positive embrace of the idea as it reflects India's global power aspirations.

## STRATEGIC RELEVANCE OF INDIA IN THE INDO-PACIFIC STRATEGY UNDER BIDEN ADMINISTRATION

With a vast population, large economy and a robust military, after China, India has occupied a significant mention in the Indo-Pacific strategy of Joe Biden as India has cemented its position as a country with a capacity to stand up to China. India also is a natural partner in American thinking of the Indo-Pacific region because of its emphasis on a rules-based order and a deep willingness to rise in the new world order being shaped in the geographical realm. Given India's shared values and concerns with the US, its friends and allies in the region, India stands to complement the momentum the US intends to conceptualise in the Indo-Pacific region. In this backdrop, the strategy of Joe Biden not only realises the importance of India in the Indo-Pacific region but also supports the leadership of India to position the country as a net security provider and then a preferred security partner. This explains that the US is willing to engage with India in Quadrilateral Security Dialogue, despite announcing AUKUS because it sees the QUAD as a plurilateral grouping that



envisioning a free, open, transparent and inclusive the Indo-Pacific region. In any case, the Indo-Pacific region will remain a realm of strategic contestations.

### Challenges to Biden's Indo-Pacific Strategy

Biden's strategy in the Indo-Pacific does reflect the relevance the US attaches to the region and the power plays here but the events in Eastern Europe, Russia–Ukraine crisis and declining relevance of NATO in Europe have raised questions on how the US would maintain consistency to realise this vision in the Indo-Pacific region. An analysis of history has shown that whenever the US has become pre-occupied with other theatres, the Chinese have exploited the US vacuum and enhanced its military and economic capacities. There are murmurs in the global intelligence circles that the entire Russia–Ukraine crisis in 2022 could have been scripted at the behest of Beijing and executed by Russia to divert the focus of the US from the Indo-Pacific region.

India is engaging with the US in the Indo-Pacific region at five levels.

Level	Dimension of Engagement
1.	Advancing free and open the Indo-Pacific region
2.	Building diplomatic connections within the region and beyond
3.	Drive regional prosperity
4.	Bolster security of the Indo-Pacific region
5.	Building regional resilience to transnational threats

### THE BLUE DOT NETWORK, INDIAN DIPLOMACY AND COUNTER TO CHINESE BELT AND ROAD INITIATIVE

The US, in 2020, proposed that India should join the Blue Dot Network (BDN). The network was announced by the US in 2019 and was designed to certify infrastructure projects. It would provide certification of projects being market-driven, financially sustainable and transparent. Even though, as of now the network is merely a vision statement, but the fact that Australia and Japan have joined it, despite being the largest trading partners of China, reveals something about the network. The prime idea of the network was to mount a multilateral pressure on Chinese Belt and Road Initiative (BRI). The BDN is only a certification authority and unlike the BRI, it does not extend loans or finances for projects. The BDN remains focused on assessing the sustainability and fiscal prudence of the projects. India has not responded on its willingness to be a part of the network but was likely to join the BDN in 2020. The reason why India should join the BDN is important to be understood. The US Build Act has started improving the American performance in the projects overseas. As India has overseas developmental projects, the US firms can give Blue Dots to Indian firms involved in the projects and this can enhance the sustainability of the projects in future.

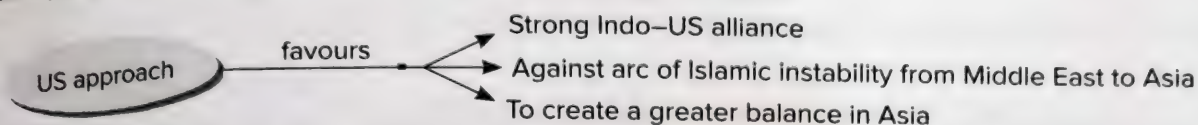
### DIEGO GARCIA: A CONUNDRUM BETWEEN INDIA AND THE US

The Diego Garcia is in Chagos archipelago in Indian Ocean and a base of the US military since the Cold War. Mauritius has claimed the rights of the Chagos and the same have been upheld by the International Court of Justice and United Nations General Assembly. In the resolution at the UNGA, the US and the British had hoped that as a regional player in Indian Ocean, India would side with the US but India unequivocally supported "people striving for decolonisation" and favoured the claims of Mauritius. The behaviour displayed by India over the issue has created ripples in the Euro-Atlantic circles but India has championed itself as a leader of decolonised world once again as it did in the Cold War. The Indian behaviour has also asserted that India would prefer to champion South–South cooperation over the Euro-Atlantic cooperation. However, the issue is also a debilitating dilemma for India because at one place it has to demonstrate its closeness to an important Indian Ocean player, Mauritius, and on the other hand, cannot derail the strategic convergences with the US, which have been witnessing an upward swing. For India, one thing is clear that it cannot favour an American military presence over the choice of indigenous people.



## INDIA'S NUCLEAR DIPLOMACY NEGOTIATION STYLE WITH THE US

The nuclear deal signifies a quantum leap in the relations from suspicion during the Cold War to strategic partnership in the 21st century. One of the key structural determinants of the US–India Entente has been the economic regeneration of India since the end of the Cold War. The US did not envisage any comprehensive alternative to the goal of nuclear non-proliferation yet wanted to improve relations with India.



To tackle this challenge, the Bush administration, by giving India the nuclear deal, had successfully incorporated India into the global nuclear order and encouraged India to emerge as a great power in the future. Thus, shifts in the global balance of power have encouraged the US and India to reorient their foreign policies and the nuclear deal is the most important symbol of this new partnership. Let us try to analyse how did the nuclear deal eventually happen. The entire deal can be broken down into 26 steps.

## EVOLUTION OF THE INDO-US NUCLEAR DEAL AND GREAT POWER POLITICS

### Step 1: High-Technology Cooperation Group

The Bush administration created a High-Technology Cooperation Group (HTCG). The aim of the HTCG was to agree upon principles that would expand exports from the US industries to India. The group and the principles adopted were agreed upon intense negotiations between the US (under the Secretary of Commerce, Kenneth Juster), and India (Foreign Secretary, Kanwal Sibal). The agreement spelled out possibilities of the export of dual-use technologies from the US to India.

### Step 2: Next Step in Strategic Partnership proposed

Subsequent to the HTCG, in 2003, during further negotiations, the US presented Next Steps in Strategic Partnership (NSSP) to India. In January 2004, a basic framework for the NSSP was proposed.



### Step 3: Thirty issue list negotiation of India

The coming of the UPA government in 2004 led to renewed push. Prime Minister Manmohan Singh appointed J. N. Dixit as the new National Security Advisor. J. N. Dixit wanted a complete transformation in the Indo-US relations. He picked three Indian Foreign Services officers to work with him at the task. They were Ronen Sen, S. Jaishankar, IFS (now the Foreign Minister of India) and Raminder Jassal. The Indian side sent a list of thirty issues to the US to be considered. These issues represented an ambitious push from India for strategic cooperation. Initially, the US negotiators rejected the list and asserted that for them, the NSSP is the agreed framework. Dixit had instructed the Indian negotiations not to return until negotiations on the list were initiated. Finally, in September 2004, the US began to pick up issues from the list and began addressing them. Taking advantage of the progress, in March 2005, the US Secretary of State, Condoleezza Rice visited India and agreed to start nuclear negotiations, as it was one of the items in the list.



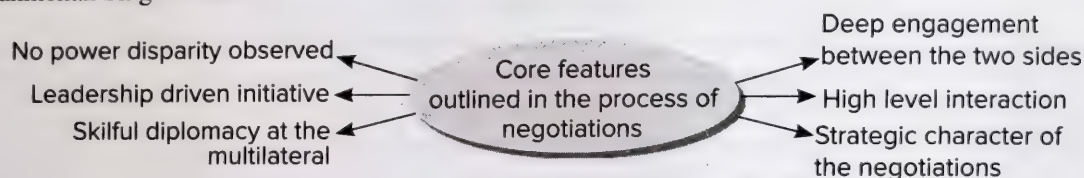
### Step 4: Next Steps in Strategic Partnership concluded

In 2005, Condoleezza Rice visited India and the NSSP was signed. This took India by surprise but the Bush administration eventually announced civilian nuclear cooperation with India to help India emerge as a world power. After 9/11, Bush redefined how the US saw non-proliferation. The idea was that some states could not be trusted with nuclear weapons due to their unstable political regime domestically, while states like India, which have an impeccable non-proliferation policy to restore readability at the level of global non-proliferation norms, could be allowed nuclear access. The announcement of NSSP is deemed to be the game changer.



### Step 5: The US Proposes India-US nuclear deal

On 25th March 2005, the White House announced that the US was going to help India emerge as a 'major player of the twenty-first century'. Both sides decided to conclude the agreement on nuclear cooperation by mid-July 2005, during the visit of Manmohan Singh to the US.

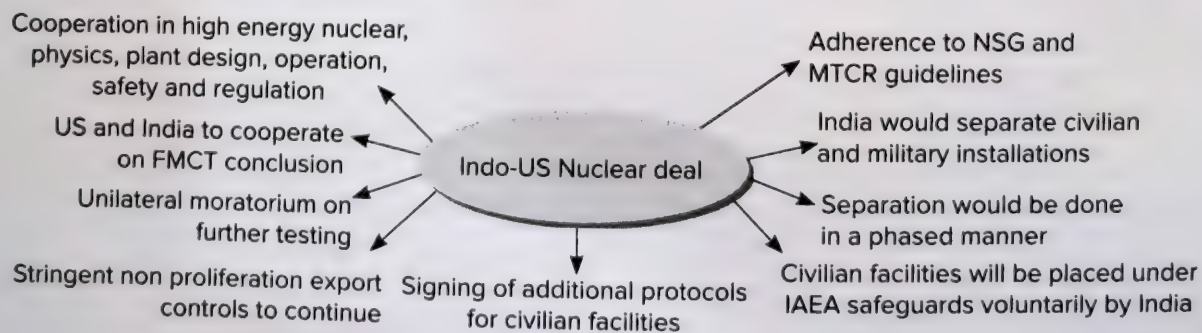


### Step 6: India initiates direct advocacy with parliamentarians of the US to resolve nuclear issues

To resolve further issues, the Indian side resorted to an intense campaign of advocacy. Normally, the Indian MEA (Ministry of External Affairs) does not allow its officials to undertake direct advocacy with parliamentarians of another country. But this time, the MEA officials made an exception. More importantly, many officials even visited constituencies of various members to establish a direct contact. The US Congressmen often stated '123 for 126'. This meant that they wanted India to purchase 126 fighter jets for signing the 123 Agreement.

### Step 7: India-US Nuclear Deal Agreement 2005 proposed

Bush realised that marginalising India would not benefit the nuclear non-proliferation order as he believed that the character of the regime was a more important determinant than a stand on a treaty to decide nuclear technology transfers. A nuclear deal would successfully de-hyphenated India and Pakistan and would give India the de facto status of a nuclear weapon state. In 2005, the nuclear deal was eventually proposed.





### Step 8: BJP raises opposition to the separation plan

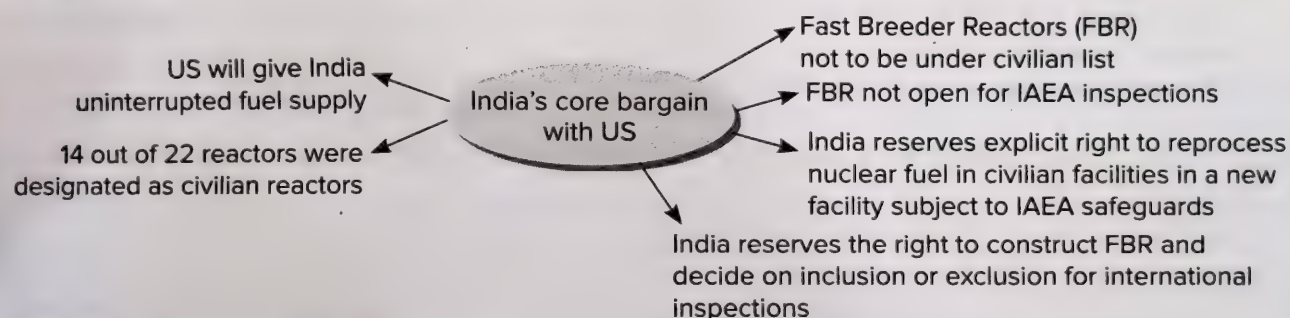
At the national level in India, BJP criticised the deal by advocating that separation of civilian and military installations (as committed by India under the deal) would compel India to incur huge costs. The Left parties, which were in a coalition with the government of the day, criticised the deal for renunciation of India's long held policy of nuclear disarmament and of non-alignment.

### Step 9: Scientific community of India raises concerns on fast breeder reactor (FBR)

The starkest criticism of the deal came from the scientific community. The department of atomic energy strongly resisted putting of FBRs under the civilian list.

### Step 10: Government addressed the concerns of the scientific community

To placate the concerns of the Indian scientific community, the then Indian Prime Minister Manmohan Singh declared in the Indian Parliament that India's FBR would not be put under international inspections of the International Atomic Energy Agency (IAEA) and the FBRs would not constitute elements under the civilian list. India succeeded in this hard bargain with the US.



### Step 11: India and the US sign Nuclear Deal agreement on 1st March 2006

With the bargain successfully undertaken, India signed the agreement on 1st March 2006, achieving a judicious balance between the energy security and national interests.

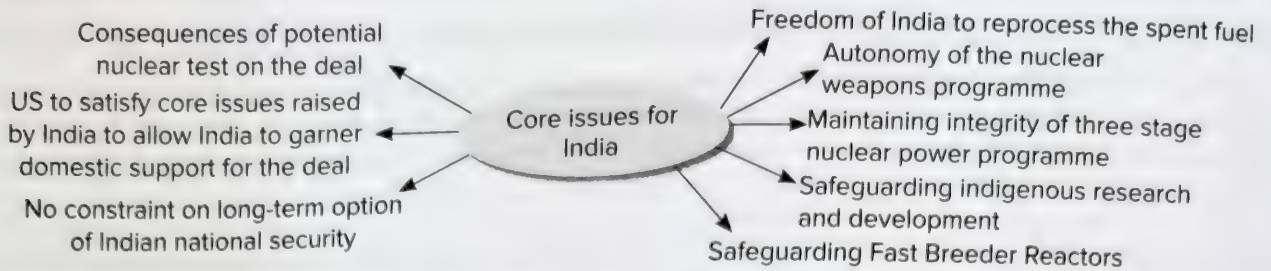
### Step 12: US signs the 123 Agreement to execute the deal

The signing of the 123 agreement (based on section 123 of the US Atomic Energy Act) becomes the touchstone of the Indo-US partnership. The 123 Agreement refers to the section 123 of the US Atomic Energy Act, 1954 under which the US undertakes nuclear commerce with various countries. The US used this section to enter into agreements with various countries pertaining to nuclear cooperation. In 1963, India and the US had signed the 123 Agreement for Tarapur Atomic Power Station. The US, after passing the Hyde Act in 2006, signed a 123 agreement with India in July 2007, thereby making an exception by allowing the US to permit nuclear commerce with India despite India being a non-signatory to the NPT. The 'US-India Nuclear Cooperation Approval and Non-Proliferation Enhancement Act' was subsequently passed.

### Step 13: India makes an exception to future nuclear testing and solves other issues

In the deal, India has not made mention of any provision related to the testing of a nuclear weapon which is likely to impact the deal, but the US President, under the Atomic Energy Act, is bound to ask for a return of nuclear technology if India tests a nuclear weapon. The major issue of disagreement on the Indian side was related to India's nuclear weapon programme testing. Indian Prime Minister Manmohan Singh assured the Parliament that the Indo-US deal no way affects Indian deterrence potential. India made it clear that the core issues while negotiating the 123 agreements that had to be taken into consideration were as follows:





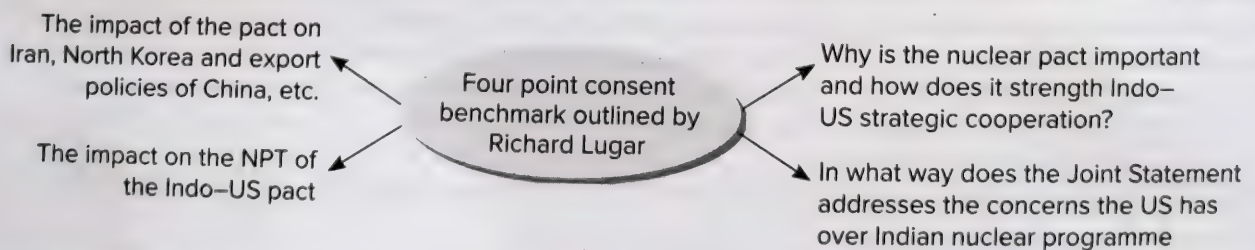
As intensive negotiations happened on these core issues, the terms of 123 agreements were finally accepted. The US agreed to assist India in the development of a strategic fuel reserve and ensure uninterrupted supply of nuclear fuel. India was allowed to establish a new facility subject to the IAEA safeguards to reprocess the spent fuel from the civilian reactors. The US president, as per the Atomic Energy Act of the US, remains bound to seek complete return of nuclear material in case of any violation, but the Indo-US deal did not make any reference as such for the same. However, the US would not hamper or create any hindrance in the growth of the nuclear weapons programme of India. In fact, India undertook aggressive diplomacy to ensure that if India tests a nuclear weapon, the US would not suddenly stop supplies of fuel and technology and demand a return, but would analyse the circumstances that led India to test the weapon. The plan to separate eight reactors for weapon or military use would now allow the use of domestic Uranium ore reserves for these separated reactors. This would allow the eight reactors to produce fissile material needed for credible minimum deterrence. The nuclear deal was basically viewed as an instrument in reshaping the Asian balance of power rather than affecting non-proliferation architecture. However, since the nuclear weapons programme was brought under the aegis of the IAEA, the nuclear deal has overall strengthened the global nuclear non-proliferation order.

#### Step 14: Central Intelligence Agency assessment of Indian nuclear programme

The biggest concerns for the US Congress were that such an exception in case of India would open up other states' demands to such technology and would adversely affect the global safeguard of non-proliferation. Under the NPT, there is no such clause where an NPT signatory cannot sell nuclear technology to non-NPT signatories. The Central Intelligence Agency of the US was entrusted with the task of assessing the nuclear programme of India. The National Intelligence Council also gave briefings to the US Congress in the same regard. As the US tried to tackle the dissidents within, the hearing that happened in the US Congress on the issue of the nuclear pact revealed that a majority of the members testified before the House International Relations Committee that such a pact would weaken the overall international non-proliferation regime that the US had spent decades building.

#### Step 15: Senator Richard Lugar raises concern in the US Congress

Senator Richard Lugar outlined the vocal criticism in the US Senate Foreign Relations Committee and he opened his statement by urging to the Senate that India does not have a very satisfying nuclear record. He also made references to Indian violation of bilateral pledges in 1974. He outlined a four-point benchmark for the US Congress's consent to the pact.



#### Step 16: Bush Administration resolves concerns of Richard Lugar

The Bush administration, in its response to the Foreign Relations Committee, admitted that the US could not establish a clear cut link if CIRUS reactor had violated the US-India contract of 1956 on the use of heavy water. The administration asserted that deriving a conclusive answer to whether the plutonium generated by India happened from heavy water supplied by the US for the CIRUS reactor was not possible. The biggest reason for such criticism in the US Congress and



the foreign policy bureaucracy was the reluctance of Bush to consult the two before embarking upon the nuclear deal with India. The Bush administration understood that taking an incremental approach to the deal, in sync with the bureaucracy and the US Congress, would have knocked down the initiative. This is the reason that Condoleezza Rice resorted to the 'Big Bang' announcement and compared the deal with India at par with Nixon's opening to China. However, all opposition was managed when the Republicans lost majority in the Congress and the Senate signed the nuclear deal, thereby culminating in the three-year process.

### **Step 17: The US makes a case for NSG-specific waiver for India in 2008**

The US subsequently pressed for an India-specific waiver at the NSG. The NSG was created by the US in 1975 to isolate India for its PNE of 1974.

### **Step 18: China raised concerns for India-specific waiver at NSG**

China raised concerns in 2008 at the NSG that making a special waiver for India would affect the credentials of the NSG. It also advocated that such a waiver for India, which is not a signatory to the NPT and CTBT, would weaken the global nuclear architecture.

### **Step 19: The US resolves the concerns of China and NSG-specific waiver for India is passed**

The US was able to assuage the China and other NSG members and succeeded in the NSG-specific waiver for India. The administration asserted that India has good non-proliferation credentials and such states should be rewarded than being kept out of the global architecture. The US asserted that a specific waiver for India would strengthen the global nuclear architecture. On 8th October 2008, the US President signed the US-India Nuclear Cooperation Approval and Non-Proliferation Enhancement Act. Great power politics and nuclear non-proliferation are the two competing imperatives of the US foreign policy that created such difficulty in the negotiation of the Indo-US nuclear deal. Both India and the US perceived the deal very differently. For the Bush administration, the deal was a bridge to establish a strategic partnership with India; while, for Indian establishment, it was a mechanism to reach the global nuclear mainstream and a step towards great power status. However, from our analysis of the nuclear deal in this section, we can clearly infer that the Indo-US nuclear deal is not just about nuclear technicalities but the emergence of a new global balance of power, which highlights the strategic considerations of great powers, related to nuclear non-proliferation. The Bush administration clearly perceived the nuclear deal as a means towards helping India emerge as a global player and therefore, the institutional imperatives of the non-proliferation regime were once again trumped by the global political realities.

### **Step 20: India commits to ratify convention on supplementary compensation for nuclear damages and also prepare a nuclear liability law**

When India and the US concluded the nuclear deal, to operationalise it, India had to ratify the convention on supplementary compensation (CSC) for nuclear damages and also prepare a nuclear liability law. The Paris Convention on Third Party Liability in the Field of Nuclear Energy was established in 1960 and aims to limit liabilities to a fixed amount in case of nuclear accidents. The Vienna Convention also relates to liability-related matters in case of nuclear accidents. The third is the CSC for nuclear damages that came up in 1997 and aimed to not only establish a global liability regime but also to ensure that in case of a nuclear accident, the victims get increased amounts of compensation. Now if a country wants to join CSC, it has to be a part of the Vienna Convention. The CSC has a clause, which says that if a country is not a party to Paris or Vienna Conventions, it can still become a part of CSC if it establishes a national law, which synchronises with the CSC provisions and its annexes.

### **Step 21: India passes the Civil Liability of Nuclear Damages Act in 2010**

India prepared the Civil Liability of Nuclear Damages Act (CLNDA) in 2010. On 29th October 2010, it signed the CSC on the basis of its CLNDA. The aim of the CLNDA is to ensure that in case of a nuclear accident, the victims get quick compensation without having to prove negligence by operator or supplier. The liability was capped at 1500 crore rupees.

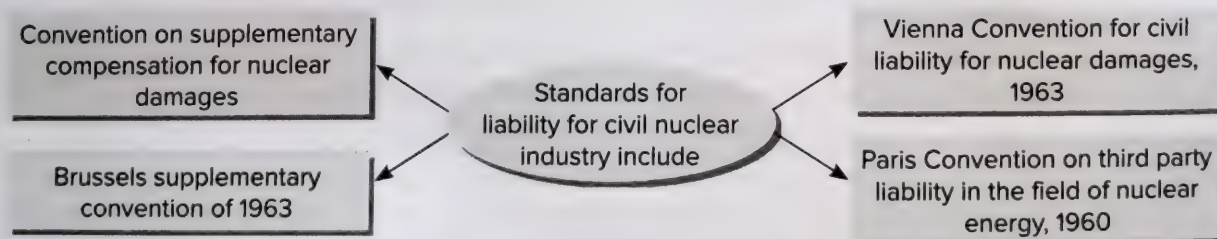


## Step 22: Section 17B and Section 46 of the Civil Liability of Nuclear Damages Act emerge as irritants preventing the execution of the nuclear deal

There are two issues raised by equipment suppliers in CLNDA. The first issue of CLNDA is section 17B, which states that the plant operator in India, NPCIL, can claim compensation from the supplier of equipment if the nuclear accident will happen due to faulty equipment or material supplied by the supplier. The second issue is related to section 46. As per this section, the accident victims can sue both operator and material supplier over and above the amount capped. Now equipment suppliers, which are foreign players, say that these clauses (section 17B and section 46) put the supplier in a vulnerable situation and unnecessarily drag them into open-ended criminal action and tort law compensation. The suppliers say that the operator and not the supplier has to identify defects and get them rectified and in case of the failure of the operator to do so, the operator is to be held liable. The suppliers also say that India's CLNDA violates the Paris Convention of 1960 and the Vienna Convention of 1963 as well as the CSC for nuclear damages.

## Step 23: India proposes Nuclear Insurance Pool in 2015 to resolve issues related to Section 17B and Section 46 of the Civil Liability of Nuclear Damages Act

The government has tried to give some assurance to the suppliers by saying that as per section 7 of CLNDA, if the liability exceeds 1500 crore cap, the central government will establish a nuclear liability fund to protect the suppliers from any claims made by the operator. However, suppliers have pointed out that section 7 of the CLNDA still does not protect a supplier from claims made by accident victims under the law of torts. In 2015, during the visit of the US President Obama, the two sides finalised administrative arrangements to execute the nuclear deal. This was built upon the Indian Prime Minister's visit to the US in 2014 when a contact group to implement the deal had been established. After the successful completion of negotiation in the contact group, India agreed to establish a nuclear insurance pool formed by General Insurance Corporation of India (GIC) and 4 different PSUs, which would contribute 750 crore rupees out of a total of 1500 crore rupees while the government would contribute the rest of the amount. The insurance pool would provide cover to suppliers under section 17 of the CLNDA. Now under the pool, the operators and suppliers would become partners in risk management rather than eyeing each other as adversaries. The compensation amount would be three hundred million in special drawing rights (SDR) and CLNDA has capped maximum liability for an operator to 1500 crore rupees. In case if value of SDR increases and goes beyond 1500 crore rupees, the government would bridge the amount. On 12th June 2015, the General Insurance Company of India had launched the Indian Nuclear Insurance Pool with a capacity of 1500 crore rupees as envisaged under CLNDA.



## Step 24: India ratifies CSC for Nuclear Damages in 2016

The Indian CLNDA follows the CSC and its annexes and India finally ratified the CSC through Instrument of Ratification and became a state party to CSC on 4th May 2016.

## Step 25: Nuclear diplomacy with the US and other states is fully operational

The CLNDA and ratification to CSC eventually operationalise the nuclear cooperation.



## Step 26: India becomes a member of MTCR, Wassenaar Arrangement, Australia Group and strives to be a member of Nuclear Suppliers Group

There are four multilateral export control regimes. They are Australia Group (AG), Wassenaar Arrangement (WA), Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG). All these four are informal regimes and they are not treaty-based. They are a club of like-minded states. The keenness of India to join these multilateral export control regimes can be seen from the perspective of India and NPT. India feels that as NPT will not accept it today as a 'nuclear have', it realises that the only logical way it can legitimise its nuclear status is to make NPT irrelevant. To achieve this objective, India has adopted a two-point policy. Firstly, it favours to join the multilateral export control regimes such as NSG and MTCR (as both require accession to NPT as one of the membership 'criteria'). India feels that by joining NSG and MTCR, it can make NPT redundant. Secondly, India, after its nuclear test in 1998 had focused on civilian aspect of nuclear technology and its trade rather than a nuclear weapon. This is the reason why 11th May (1998 was the day when India carried out its nuclear tests) is celebrated as a National Technology Day.

### INDIA'S DIPLOMACY AT NUCLEAR SUPPLIERS GROUP AND ISSUES IN NSG MEMBERSHIP

NSG was formed in response to India's PNE (1974) in 1975 and was initially called London Club. Its aim was to manage export controls and nuclear proliferation issues which were outside the framework of NPT. Till 1991, NSG remained a dormant group. At the end of the Cold War, with the disintegration of the USSR, the threat of nuclear war was replaced with the threat of nuclear proliferation, which re-energised the NSG, to tackle those matters that were left out of the scope of NPT. The decisions in the NSG are taken by consensus, making memberships difficult for new member states. At the end of the Cold War, Belarus, Ukraine and Kazakhstan possessed weapons of Soviet era. Both USSR, through proactive diplomacy, and the US decided to de-arm them and made the three states join the NPT as NNWS. Since 1991, with the advent of Gulf War-1, and situation of proliferation in Iran and North Korea, there was a growing belief that NPT would not sufficient to tackle nuclear proliferation. The NSG made attempts to rectify such shortcomings of NPT. To reposition NSG as a serious grouping to tackle nuclear proliferation and not merely position as a club; NSG in 1991 stated that it would not use member states as a term, which could be replaced with PG. Subsequently, in 2001, a new 'procedural arrangement' was adopted that talked about admitting a new PG to NSG. The procedure has five-point criteria.

1. State should have the ability to supply or produce items mentioned in the control list of NSG.
2. State should adhere to the guidelines of NSG.
3. State should legally enforce the guidelines of NSG.
4. State should support global efforts to seek non-proliferation of weapons of mass destruction.
5. State should adhere and comply with one or more obligations of the NPT.

It was clarified that the above points were only 'considerations' to be used for membership and were not mandatory as a criteria. As part of an attempt to operationalise the India-USA nuclear deal, in 2008, India was given NSG-specific waiver. In 2010, India expressed an interest to become a member of the NSG. From 2010 to 2016, there was a political and diplomatic void in India taking up the issue with the NSG. This was primarily out of concerns arising out of India's Civilian Liability for Nuclear Damages Act. In 2016, when India made a formal attempt to join the NSG, after resolving the concerns in the liability law, its membership was blocked by China.

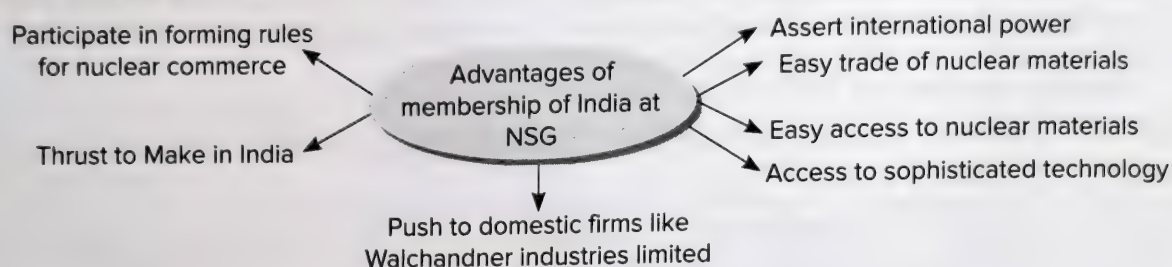
### CHINESE OBJECTIONS TO THE INDIAN MEMBERSHIP AT NUCLEAR SUPPLIERS GROUP

1. China asserts that there needs to be 'broader consensus' to evolve a technical, legal and political criterion to admit new states to NSG as PG.
2. China asserts that let there be a two-step process for admitting a new PG to NSG. First, let there be a formula developed for admission of non-NPT members to NSG. Second, after such a formula is developed and adopted, only then NSG should admit new PG.



- China asserts that in the absence of such a formula there will be serious effects of admitting non-NPT member states (like India) to NSG as PG because such states in NSG (without being a member of NPT) will affect the integrity of the non-proliferation architecture in the world. Indian strategic community believes that this is used by China as a cover to push the case for Pakistan along with India for admission to NSG.

Because of obstructive and non-cooperative attitude of China, Indian membership to the NSG remains a hurdle till date. In the June 2016 Seoul Plenary Session, India applied for membership, but China objected to India's entry to the NSG and raised procedural concerns. However, China is also not a member of the MTCR, of which India is a member, the whole issue of membership came down to a quid pro quo bid. China objected stating the NSG is based on the NPT, of which India is not a part, and thus, pushed back the Indian case. The Indian membership now depends upon the diplomacy and cooperation with China.



## THE AUSTRALIA GROUP AND INDIA'S NUCLEAR DIPLOMACY

In 1980, during Iran–Iraq war, Iraq legitimately and legally procured chemicals and began to develop chemical weapons. This emerged as a new threat to international security. In 1985, in a meeting in Brussels, a list was developed which maintains chemicals, which were to be subjected to export control. Doing so, as believed, would prevent the proliferation of chemical weapons. The annual meetings to evolve the list happened in the Australian Mission in Paris. Once the list was developed by 15 Western states, a group called AG was born. Over a period of time, biological agents were added to expand the list and more technical and other equipment were added to expand the scope to incorporate chemical and biological weapons. In 2018, India joined the AG as a 43rd member state. Joining AG proved that India had safeguards and export controls for chemical and biological weapons, which met the benchmark standards of the international community. As India's chemical industry has emerged as a global exporter of chemicals; its trade has increased in dual use chemicals. Joining the AG would harmonise India's export controls as per international standards.

## THE WASSENAAR ARRANGEMENT AND INDIAN DIPLOMACY

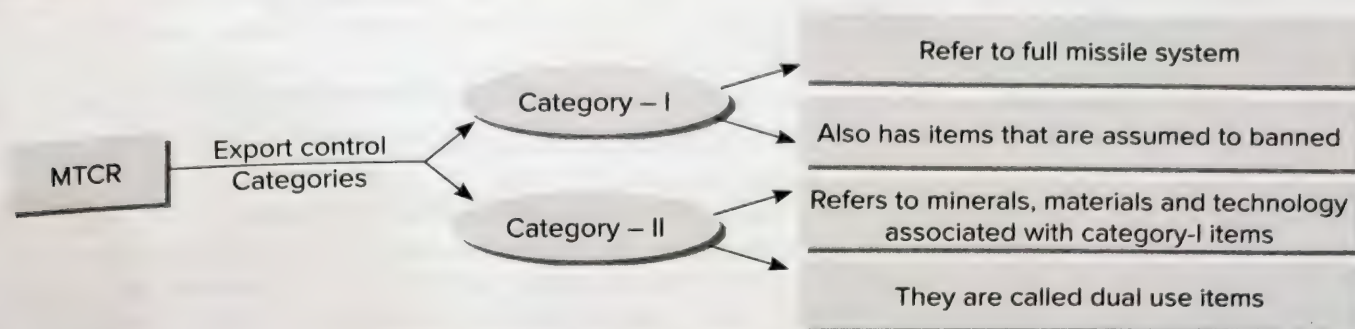
In 1950s, the US had established Coordinated Committee for Multilateral Export Control (COCOM). It was an attempt to block the export of strategic materials and technologies to Soviet Union and its satellite states. After the end of the Cold War, COCOM was replaced with WA. In WA, the member states have to harmonise their national policies. They are harmonised to control transfers of conventional munitions list and dual use goods and technical list. WA covers an area of strategic materials and technologies where no international treaty exists. WA is very important in the globalised world as ICT technologies (of encryption and surveillance etc.) are developed by private players for commercial use. This makes it tough for the governments to regulate dual use. WA aims to foster transparent practices with respect to sales and transfers of arms, materials and technology, which aid buildup of nuclear capabilities. It has mechanisms to prevent falling of such technologies into the hands of non-state actors. In WA, member states share and exchange information related to transfer of technology or denial of technology (conventional and nuclear) to states not a part of WA. India joined WA in 2017. It can now access dual use technology that is proscribed for non-members. India can also sell nuclear reactors that are indigenously built without any restrictions from states.

## INDIA'S MISSILE TECHNOLOGY CONTROL REGIME DIPLOMACY

In 1987, to prevent the proliferation of unmanned delivery vehicles for nuclear weapons, an informal agreement had been established called as MTCR by the US, United Kingdom, Canada, France, Germany, Italy and Japan. As per the MTCR,



it places a ban on the transfer of such missiles that can carry more than 500 kilogrammes or have a range beyond 300 kilometres. In 1992, the MTCR expanded its mandate to add unmanned aerial vehicles.



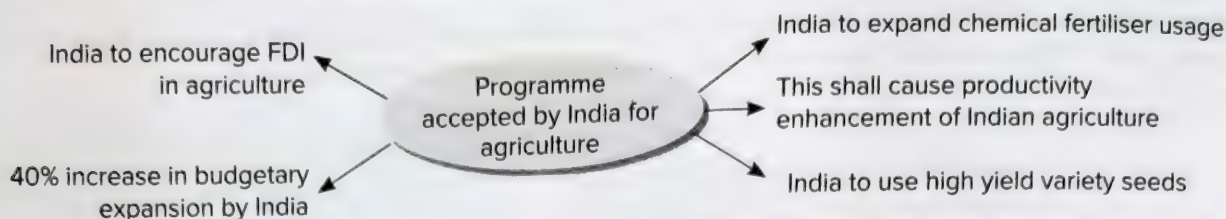
India joined the MTCR in June 2016. In 2015, India's membership to join the MTCR was blocked by Italy (because of Italy's objection to the investigation of Italian Marine fishermen killing issue). China is not a member of the MTCR. It has been blocking Indian membership to NSG, as informally China wants a quid pro quo. It wants India to support Chinese candidature to MTCR and in return China would support Indian candidature to NSG. The members of MTCR object to Chinese inclusion to MTCR as China has a dubious record of proliferating missiles to Pakistan (in violation with certain stated aims of MTCR).



## INDIA'S TRADE NEGOTIATION STYLE WITH THE UNITED STATES

In 1949, Nehru paid his first state visit to the US. Domestically, at that time, India was suffering from a famine and severe grain shortage. Instead of directly asking for food aid from the US, Nehru dropped hints about the willingness of India to accept an offer. The US awaited a proper request. Nothing came out of the visit. One of the peculiar behaviours of the Indian foreign policy mandarins is that they never ask for aids directly, which reflects distaste for asking. However, with repeated failures of monsoons and successive famines, in December 1950, the Indian Ambassador to the US, Vijaya Lakshmi Pandit, requested the US to supply two million tonnes of wheat. The US conveyed to India that such a proposal would require Congressional approval. As the Congress was debating the matter, India conveyed to the US that it needed assurance that no conditionality would be imposed on wheat supply and the aid would not affect India's foreign or domestic policy. Further, the US would not interfere or influence the sovereign domains of India. The US, however, asserted that it would observe the distribution of the wheat they would donate. On 11th June 1951, the US Congress as a long-term loan to be released for India approved a bill authorising 190 million dollar. The next line of the Indo-US offensive came up in 1965, when India witnessed a severe famine and food shortage. India requested 10 million tonnes of food grains under the two-year food aid programme. This time the US President Lyndon Johnson announced a 'short tether policy'. As per the policy, Johnson stated that all food aid shipments to India would require his personal approval. India found the policy very offensive. The US began to insist that India should undertake aggressive agricultural reforms. To work out an agreement, the Indian Agriculture Minister, C. Subramaniam, held meetings with his American counterpart in Rome. India agreed to a very intrusive programme by November 1965 and brought changes in its agricultural policy.





Though Johnson was happy with the reforms that India made and subsequently eased out the wheat shipments, the experience of India to have gone through such intrusion was extremely taxing. Though Indira Gandhi had publicly thanked Americans for their aid and assistance, she categorically advised C. Subramaniam that India should ensure that it never had to beg for food grains ever from the US. India learned through the food aid negotiations that it is difficult to accept any foreign control over the usage of domestic resources. Since the end of the Cold War, India has been buying from the US defence equipment, nuclear products, oil and gas and civilian aircrafts. Even though the bilateral trade has expanded since the end of the Cold War, it is important to note that the majority of the trade consists of 're-exports'. This means that India imports raw materials and exports a finished product back to the US and that seems to be the case in gems, jewellery and petroleum (the core items of Indian export). Thus, the net gain to India is the value-added or the labour costs only.

## ISSUES IN INDIA AND THE US TRADE DIPLOMACY

In 2002, the US Ambassador to India raised the issue of a weak trade with India and stated that American trade inflows to India are "flat as a chapati". The US since then has often raised the issue of trade deficit with India, as with other allies as well. Despite the growing geopolitical, strategic and regional convergences between India and the US, the trade deficit is a new irritant. Trade deficits are natural outcomes of buying and selling of the two states, and not engineered outcomes. If India has a trade deficit with the US, it is because India has insufficient domestic availability of products and it ends up in buying those products from the US. There are various factors why India imports more than it exports that range from domestic demand to workforce etc. This brings us to a question that why does the US have a trade deficit? It is because the Americans consume more than what the rest of the world collectively produces. To rectify this, Trump was seeking a forced correction, which defeated the market principles. Trump wanted other states (including India) to forcibly buy what US produced and was encouraging his own people to buy less from what other states produced. This distorted the market principle because it deprived states to buy cheaper substitutes and also deprived Americans to buy cheaper alternatives.

The US under the Trump administration had raised several trade issues with India. They are as follows:

1. Selective access available to the US in many sectors in India.
2. FDI not permissible in many sectors.
3. The US want India to change IPR laws and cloud computing laws.
4. At the level of pharmacy, the US wants data exclusivity (explained below) to which India is opposed.
5. Trump had raised concern of India charging high-duties on import of Harley Davidson motorcycle.
6. He had justified the withdrawal of the GSP (explained below) by classifying India as a developed nation.
7. Trump had demanded access to Indian agriculture sector including almond and dairy products.
8. Trump had imposed duties on India under Section 232 of National Security Act for steel (25% tariff imposed for imports from India) and aluminum (10% tariff imposed). Ironically, Trump had used national security legislation measures; normally used against countries with which the US was at war; against its strategic partner.
9. Trump had tightened the H1-B visas (explained later separately) and that had affected Indian firms doing business in the US as they found it difficult to renew visas for existing staff or send new staffers for projects.
10. The US asserts that India lacks the requisite regulatory, legislative and bureaucratic apparatus to ensure sensitive technology is not given to rogue nations.
11. The US wants lower tariffs for American ICT goods and mutual withdrawal of WTO disputes.
12. The US also wants markets access for American berries in India.



## THE US RECIPROTARIANISM OF THE DIMINISHED GIANT SYNDROME

Jagdish Bhagwati, has rightly called the policy of Trump as reciprotarianism of the diminished giant syndrome. The US is pressurizing India to allow greater market access in foods and automobile industry, of which India is reluctant. Even though India's trade surplus with the US is 20 USD billion (while China has a 400 USD billion trade surplus with the US, which caused the US-China trade war); still US is adamant on reducing it. In fact, an ideal scenario for the US would be to collaborate with India and tackle the trade deficits both have with China collectively.

## THE REVOCATION OF GSP STATUS, IMPLICATIONS ON TRADE AND END OF STRATEGIC ALTRUISM

The generalised system of preferences or GSP system came into force in 1974. It is a preferential trade programme of the US under which the US waives off import duties on many products from around 120 countries. Devised in its own interest, the lack of imposition of import duties on these products meant that the US industries often got inputs at a cheaper rate. According to the website of the US Trade Representative, the GSP spurs sustainable development in beneficiary countries by helping them increase and diversify their trade with the US. The programme also supports tens of thousands of jobs in the US. The Trade Representative says the GSP is important to the US small businesses, many of which rely on the programme's duty savings to stay competitive. President Trump had called India the 'import tariff king'. One of the conditions of GSP on beneficiary countries is that it requires assessment on whether it will provide equitable and reasonable access to its market to the United States. The idea is grounded in a strong belief in reciprocity trade agreements executed by the US, as seen by the Trump's economic policies with other nations. The US Government pointed out specific instances of Indian policies that tantamount to a violation of the access to market condition. To eliminate extortion by hospitals and medical practitioners for foreign-manufactured heart stents, India announced an upper cap to the pricing of these stents. The Advanced Medical Technology Association complained to the US Trade Representative to withdraw India's GSP as they believed that this caused foreclosure to their entry into the Indian markets and many were made to do 'forced sales' at low prices. Historically, India has been the largest beneficiary of the GSP programme. However, President Trump in a tweet proclaimed that the US was being used by other countries and announced his intention of putting the American worker first. In fact, this was one of the reasons for the trade war between USA and China, which began in 2018 and continues. Under GSP, as many as 1,900 Indian products from various sectors such as chemicals and engineering equipment, leather, textiles, gold, building materials and dairy items got duty free access to the US market. While there may be no substantial effect, as India's Commerce Secretary announced that it would only impact around \$190 million annually. However, there is no denying that it has critically affected on sales and employment of Micro, Small and Medium level enterprises that are solely export-oriented units. Since the landed price (that is, cost plus shipping, insurance, freight) would become higher, the US consumers and businesses might be able to find cheaper alternatives by other countries that would continue to enjoy the GSP benefits. However, it was not solely Indian manufacturers that would be hit. For exclusive Indian exports, such as high-quality gemstones, Basmati rice etc., for which ready alternatives were not available, the negative effect would be felt by industries in the US relying on these imports. Moreover, this could give India, a good opportunity to levy higher taxes on imports from the USA, such as Harley Davidson, which enjoyed a 50% duty, which was lowered from 100% after Trump had expressed a want for zero-duty on these motorcycles. While negotiations between India and the USA are important, with issues of commerce and economics requiring diplomacy and adequate advocacy at the World Trade Organization, the Indian government has decided to step in to protect interests of small manufacturers that are likely to be worst hit, as the GSP stands withdrawn. Mechanisms for alternate employment and exploring the new market opportunity for Indian exports have been initiated by the Indian state. Moreover, since the benefits of GST are not available for fuel costs (since petrol and diesel are kept out of the purview of GST), the government is likely to offer financial benefits to such manufacturers to compensate for the increased duties that may follow.



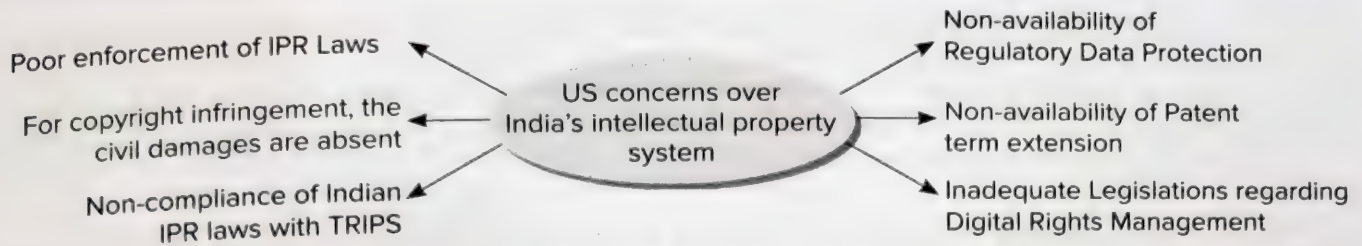
## INTELLECTUAL PROPERTY RIGHTS (IPR) ISSUES AND BILATERAL INVESTMENT TREATY (BIT)

In 2009, India and the US started negotiating a treaty to protect foreign investment that flows from one state to the other. The negotiations were slow because both sides updated their model BIT template in 2015, replacing the 2003 template. A BIT protects the investments of the investors by allowing them extra rights against unlawful actions of host states and thereby boosts investors' confidence, leading to more FDI. As per the 2003 BIT of India, the treaty offered investors fair and equitable treatment based on reasonability and due process. The 2015 treaty has replaced it with customary international law. Now the investment by an investor shall not be subjected to any measures that violate existing customary international law. The Indian BIT of 2015 grants full security and protection to the foreign investors and their investment. More importantly, the BIT clearly states that the state will not discriminate the foreign investor from the nationals of the host state and shall not act in a discriminatory manner against foreign investors. The new BIT also talks about the provisions related to expropriation. According to the provisions, any investment shall be done with adequate compensation and under due process in accordance to the laws of the host states. The compensation shall be in freely convertible currency on the basis of the market value. Under the new BIT, for dispute resolution the investor needs to exhaust all local remedies available in the state up to five years. The investors get a choice to arbitrate disputes either under International Centre for Settlement of Investment Disputes (ICSID) arbitration rules or the additional facility rules of ICSID or the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules. However, India not being a party to ICSID convention, the ICSID arbitration rules mechanism shall not be available to the investors. The new BIT does not mention the need for the 'most favoured nation' status tag for each other. There is no provision for an umbrella clause, which means there is no requirement to observe contractual obligations by the parties. An absence of the umbrella clause means that the domestic courts may not pursue claims, as there are no direct contractual obligations involved. The Modi government at the centre has declared a need for 1 trillion dollars' investment in the infrastructure sector. If India and the US conclude a BIT, this is one area where the US firms will stand to have an edge over other competitors. A future BIT can also lead to a grand collaboration between India and the US in retail and business services sector. The stringent environmental and labour concerns in the US BIT are irritants perceived by India. One reason why India and the US have not been able to conclude a BIT till date is because of the issues related to investor-state arbitration. India's emphasis in the new BIT, as stated earlier, is that the investor should first exhaust local remedies in the state up to five years. The US firms are not very enthusiastic about this provision due to a fairly poor image of Indian legal system as being overstretched. The Indian BIT does not bring taxation within its purview. The US firms are of the view that an absence of such a provision enhances the tax leverage in the hands of the Indian authorities.

## THE SPECIAL 301 REPORT OF THE US, INDIA'S CONCERNS AND ISSUE OF EVER-GREENING OF PATENTS

Moreover, the Indian BIT has no mention of matters related to the insurance of compulsory license (CL) and in the absence of the same, the US firms would not get the power to sue an Indian firm for issuance of CLs or revocation of IPR. The two nations have differing perceptions on IPR despite both being compliant to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement of WTO. The matter was aggravated in 2014 when the Office of the US Trade Representative put India under priority watch under the 'Special 301' Report. The US stated India has inadequate IPR protection in IT, pharmacy and publishing industries. The US also alleged that India is a major source of counterfeit drugs. India has not been pleased with this allegation since it is a generic drug exporter, and such an allegation could hurt the country's global image of being a pharmacy supplier. Since 2012, patent disputes have emerged as a sticky issue because India has refused the US firms the right to patent, due to firms resorting to ever-greening. Ever-greening means that the company makes a minor amendment to its already patented product and seeks to expand patent life further after a minor modification. India has invoked Section 3(d) of the Indian Patent Act often.





## INDIA-US TRADE POLICY FORUM AND INDIA-US KNOWLEDGE SHARING AGREEMENT

To resolve the IPR issue, a high level working group has been established under the India-US trade policy forum. As the negotiations progress, India should focus on protection of its national interests. India needs to give some space to the principle of eminent domain where, in public interest, the state can subordinate the IPR of private entities. The working groups should lay down a set of boundaries in case of 'eminent domain' being used for health-related issues. As the US is trying to reduce the drug prices in their own country and India is trying to develop its secondary and tertiary healthcare; the potential the two have for collaboration is intense. In 2020, India and the US signed a pact on IPR. The pact is called as the India and the USA Knowledge-Sharing Agreement, which shall enrich the IPR systems between the two states. The pact involves no legal commitment by either side but shall facilitate training sessions for experts and officials to help understand and study each other's IPR laws. This is an important step because the US wants India to drop Section 3(d) of the Indian Patent Act and also denies patents to items that are not very significantly different from older versions (explained below). The US is also opposed to compulsory licensing for drugs. In this context, the pact shall focus on the entire IPR regime of the two states and is sector-agnostic, means it will cover patents, copyrights etc. and will not be limited to specific sectors.

## PHARMACEUTICAL DIPLOMACY, TIERED PRICING AND IPR ISSUES BETWEEN INDIA AND THE US

There has been a deadlock on pharmaceuticals between the Indo-US. The main issue here is that American firms want India to adopt a strict IPR regime while India, being a signatory to TRIPS of WTO is not keen on the same. This is where the two parties are at a deadlock. India is a developing state. It has to take care of a huge population and their health. American companies manufacture medicines. These medicines are produced after enormous research and innovation. These medicines help in curing rarest of rare diseases. But these American firms then sell these medicines at a very hefty price. The firms are justified in high price as they assert that they spend a huge amount of money in innovation to create that drug. Now, in India, the IPR laws are weak. So, Indian pharmacy firms (under state patronage) tweak the formula of the American-produced drug and come out with a generic product. This generic product does not require enormous field trials and innovations. It only involves minor restructuring of the product already innovated (where American firms have invested thousands of billions of dollars). As India is able to produce this generic drug, it helps in providing the drug to Indian patients at an extremely low price. India being a signatory to TRIPS of WTO also exports these generics to other developing states. This is where the issue for the American firms is. They say that they do not get compensated in developing markets (which are the markets that will use their drugs most) financially. So, these American firms try to pressurise the US administration to push India to go for stringent IPR laws that can prevent generic production by tweaking components. This is also a reason why the US pharmacy firms are not interested to set up a manufacturing base in India. The US has often categorised India as a state of concern and is often criticised under Special 301 Report (which it publishes under Section 301 of the US Trade Act of 1974). India always says that the Special 301 Report is a unilateral American report to unduly pressurise India to go beyond IPR measures outside the ambit of WTO. India also has concerns that are legitimate. Indian firms assert that the American firms go for ever-greening of patents. This means that they introduce cosmetic changes in the drugs when its patent is about to expire. With these cosmetic changes, the American firms continue to maintain a monopoly over the patent. India thus complains that these firms in the US do not have any concern for social responsibility and are primarily governed by greed of profits. As the US administration supports the ever-greening, the conflict never gets resolved. The solution to the deadlock is tiered pricing. In tiered pricing, a mechanism



can jointly be achieved between India and the US. The firms can develop, say, a three-tier pricing strategy. Those at the bottom-most strata can legally get access to the product at a set price. This helps in sales maximisation and brings cash inflow to mitigate the financial concerns of the American firms from developing markets. The other two tiers of pricing can be used for the customers of the developed world who have the pockets to pay for the product as well. Such a tiered pricing can help protect national interests and profits collectively.

## **THE DATA EXCLUSIVITY CHALLENGE IN INDIA AND THE US RELATIONS**

Let us understand the concept of data exclusivity. A pharmaceutical company, which is into manufacturing of drugs, has to prove the efficacy of the medicine. It also has to ensure that the manufactured medicine is safe for use. To do so, a pharmacy firm undertakes clinical trials on humans and animals. The trials lead to generation of data. By generating this data and keeping it exclusive for its use, the company that has innovated the medicine can prevent its competitors from obtaining license to manufacture a low-cost version of the drug. The pharmacy company or the innovator wants to mostly maintain exclusivity of their drug. Despite deepening of the Indo-US ties since the end of the Cold War, there have been few perceptual hurdles between the two.

## **THE STENT PRICING, KNEE IMPLANTS AND ISSUE OF TRADE MARGIN RATIONALISATION**

India imports 80% of medical devices and the US have a share of 30% in this. The US is unhappy about the ever-greening of patents by India and also with Indian decision to control the prices of cardiac stents and knee implants. India's National Pharmaceutical Pricing Authority found that the US stent makers are making huge profits and huge margins by selling stents and implants to India at a high price. They found a discrepancy between the manufactured price and retail price. This led India to impose a high tariff on import of stents and implants. This led to a loss to the US stent producers. In 2020, India and the US had decided to replace the blanket price caps for high-end medical devices with an option of trade margin rationalisation (TMR) as the TMR will use landing price as a base for trade margins; which will bring more affordable medical products to India. Under the TMR, the trade margins can be capped at rational levels and then added to the selling price indicated by the overseas manufacturer at the first point of sale; which is import-landed price when the product lands in India and GST becomes applicable. This would rationalise the profits for the retailers and traders. Even though the US have been a significant player in our medical industry, Indian players are restricted to access the US markets due to non-tariff barriers. This is where the US should make future concessions for India. India should also ask the US to make concessions on import fees because Indian pharmacy exporters have to pay very high fees to the US regulators and this restricts India's entry to the US markets.

## **CHICKEN NATIONALISM AND DARK MEAT IMPORTS BETWEEN INDIA AND THE US**

The US are the biggest exporter of poultry in the world. As per American dietary habits, the people in the US consume chicken breasts and legs and thighs are considered as 'dark meat' because it is believed that they are tough to chew and have a stigma associated. The poultry producers of the US have adapted to the American preferences and have started exporting the thighs and legs to other countries in the world. India is one of the markets where legs and thighs have no stigma and more so, are in high demand than the chicken breasts. Citing avian influenza as a concern, India in 2007 stopped importing American poultry. The US took the poultry dispute to WTO in 2012 asserting that a countrywide ban cannot be resorted to by India. The WTO in 2012 ruled against India and asked India to allow the US imports. In 2015, the US again complained to WTO for non-compliance by India. In 2018, reluctantly, India allowed the imports in a limited manner. Indian concern was that if the US dumps the 'dark meat' in India, then, Indian domestic poultry producers would not be able to withstand American competition. The Trump administration had not raised poultry as a priority with India.



## CHALLENGES IN DAIRY INDUSTRY BETWEEN INDIA AND THE US

Today, India cannot export meat products to the US while it does to Japan and EU because the American inspection standards are different. The US cannot export dairy products to India because their suppliers cannot certify that their products do not originate from bovine animal fed ruminants while the EU and Japan do provide India with this certification. This is a religious issue in India. Both can resolve these issues for mutual advantage of each. A future possibility is quota-restricted imports where labeling regarding the cattle feed is specified. India simultaneously can open up imports of blueberries and cherries. India can further liberalise the FDI norms and seek the US FDI in building storage plants and agro-processing units.

## FUTURE ELEMENTS OF DIPLOMACY IN TRADE BETWEEN INDIA AND THE US

**Trade level** India wants the US to grant market access for grapes and mangoes, removal of duties on iron and steel, single digit duty on high-end bikes, revocation of GSP status and easy norms for visas and free movement of people.

**Service export** India continues to provide the US with world class IT exports; an area where the US is supply constrained. India should work to strengthen cooperation here.

**Big data** India is generating the new oil called big data. It has 800 million plus users with mobile phones. American firms ranging from Facebook to Google are already making substantial profits from Indian data. In the future, as the US firms move on to AI, data analytics, Internet of things, cloud computing, nanotechnology and 5G technologies, they will need more of Indian data to fuel their growth and big data will be a future area of cooperation.

**Data protection** Similarly, as data protection issues have arisen recently, India has to choose between business-friendly and competing rules of EU or the US. India has to select either on the basis of whichever offers India stronger data privacy. In the recent times, e-commerce has emerged as an irritant. The e-commerce firms like Amazon and Walmart is facing restrictions in India, which can be easily removed and India should strive to promote more competition. The grand goal for India is an FTA with the US.

**Leverage diaspora** It is imperative for the US to offer India, a smaller economy, with favourable trade terms than cribbing about a small trade surplus. India should rather calculate the cost of 4 million Indians in schools, colleges, laboratories and offices working day in and out trying to 'Make America Great Again'. In such a case, India will run a massive trade deficit with the US.

## DE-INDUSTRIALISATION TEMPLATE BETWEEN INDIA AND THE US

A deeper association in the future can provide Indian companies with deeper market integration and the US firms will get a better alternative to China. Partnership with the US firms can provide Indian firms also with greater competitiveness and develop attractive capacity building options in industries that range from AI to renewable energy to education to healthcare. This partnership is going to be beneficial because India is currently witnessing de-industrialisation. This means that there is a waning impact of manufacturers in textiles, leather, iron and steel etc. on the GDP of the nation via contribution to wage growth mobility, value add to the GDP and employment. In common economic parlance, de-industrialisation is natural because over a period of time, the manufacturing sector shows an inverted U-shaped curve; allowing the service sector to pick up. As India currently witnesses de-industrialisation, a partnership of Indian firms with the American firms in areas where cooperation can expand not only in bilateral but also in global domain can be a template for the future. The US and India can jointly collaborate on testing of 6G and 7G technologies and can jointly emerge as leaders in the technology, considering China is a master of 5G technologies.

## INDIA-US FOREIGN TRADE—TRUMPED UP OR DOWN?

In the era of 'Make in India' and 'America First', there are a few steps India can take to enhance its exports.

**State market mapping** The USA has 50 states, all of which have different consumption patterns. The Indian government needs to authorise a study of market of each state and there behavioural economics. This data can be given to Indian



exporters to enhance the leverage. As of now, only 1 state out of 50 is dominated by India, leaving a potential of 49 to be explored. To do this, the government should follow a three-step classification. Firstly, it needs to identify hot spots. These are states where India can be a top importer to some states. Secondly, identify warm spots, which are those states where India can concentrate to develop market access. Thirdly, develop cold spots that are those states that require efforts by Indian government to cut competition from existing players and create a niche.

**Sector domination** The Chinese have adopted a unique strategy. They have mapped the product requirements of American states and have dominated the product industry. Today, an American product is unable to bear the competition from a Chinese product in the American market. India has been a back end IT services provider to the US for long now. But, as there is a backlash to this strategy now, it is imperative for India to identify a new sector to dominate. India can build from its IT legacy. It now needs to shift to new IT products, of high-technology value, and position itself as an IT service provider in the US.

**Radical is the new normal** India has to establish a body similar to USTR. This body has to be manned by diplomats and trade specialists. Such a body has to work with their counterpart bodies in the US and identify common grounds for mutual benefit. India has to be positioned as a trade hub for products. It has to improve infrastructure, strengthen corporate governance mechanisms, encourage global branding and establish robust legal frameworks.

## INDIA'S ENERGY DIPLOMACY WITH THE US

In 2018, India signed the US–India Strategic Energy Partnership and India had started importing oil and gas from the US. The Strategic Energy Partnership has four pillars. They include oil and gas; power and energy efficiency; clean and renewable energy; and sustainable growth. Though it may not be the cheapest option but is definitely one where India stands to be a gainer. India favours a deal between Tellurian Inc. and Petronet LNG in the future. In 2020, Exxon and Chart Industries had collaborated with Indian Oil Corporation to provide India with LNG. This is important because India is presently focusing on building gas pipeline infrastructure and that process will take time. So, in the meantime, in its push towards renewable energy, India is planning to import gas through containers as an alternative. In 2020, the US International Development Finance Corporation would setup an office in India and started with a financing facility of 600 million USD for renewable energy projects in India.

## INDIA'S EDUCATION DIPLOMACY WITH THE US AND 21ST CENTURY KNOWLEDGE INITIATIVE

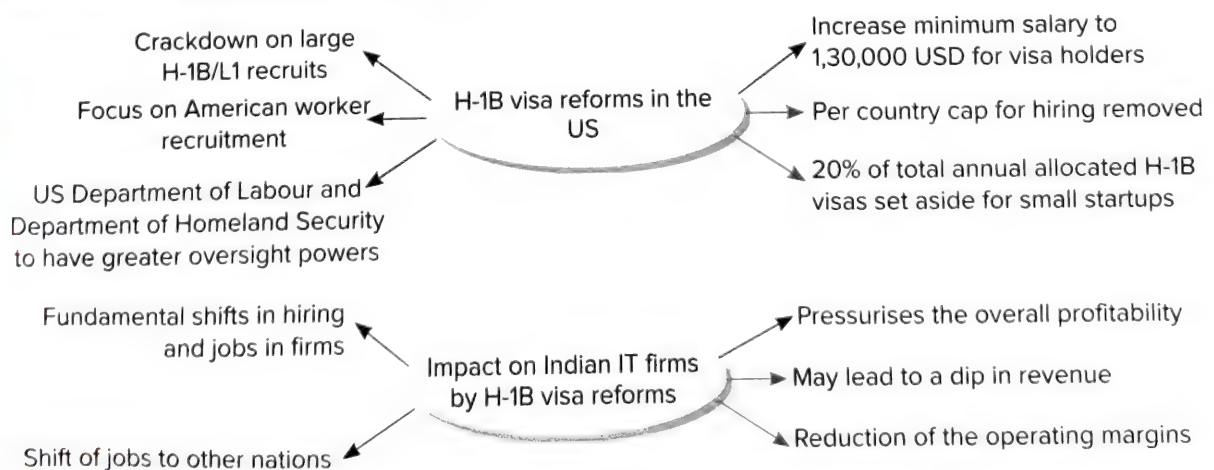
In 2009, the Obama–Singh 21st century knowledge initiative was launched. It is now a part of the Indo-US strategic partnership agreement. In 2011, the India–US Education Summit was held. It has subsequently held dialogues in 2012 and 2013 and had organised a road trip to promote strategic institution partnership. The aim of the Obama–Singh knowledge initiative was to promote R&D, vocational training and junior faculty development. As of 2016, it had been renamed the Indo-US 21st century knowledge initiative awards. India and the US have had Fulbright programme since 1950 and in 2008; it was renamed as the Nehru–Fulbright programme for science, technology and agriculture. India, under its latest government, is trying to emulate the concept of community colleges in the US to enhance vocational education and skill development in India.

## THE H-1B AND F-1 VISA REGIME ISSUES BETWEEN INDIA AND THE US

Trump was in favour of 'merit-based' immigration in contrast to 'chain migration' in the existing format. The US government has the provision of an H-1B visa. It is a non-immigrant visa for temporary workers. It is given for select special occupations. The issue is that in the US, if a company like an IT firm cannot find a skilled US worker, it can attract skilled workers under the H-1B programme. The US population is skeptical about the majority of the jobs being given to outsiders as they allege that firms hire from abroad to cut costs as labour is cheaper if imported and this undermines the employment to the US citizens. Indian citizens are one of the largest H-1B users in the US. In 2015, the US administration under Obama signed the Consolidated Appropriation Act 2016. As per the law, the visa fee would be increased and the rise in cash flow to government coffers will be used for financing Obama's healthcare and biometric tracking system.



The hike in the fees is going to offset IT and BPO exports of India. With the coming of Donald Trump as the new US President, India and the US had some irritants in their bilateral diplomacy. The H-1B visa issues had emerged as one of the greatest sources of friction between the two countries. An employer had to apply for an H-1B visa for the employee with the US immigration department. At the same time, there was one L-1 visa category, which was an inter-company transfer category where the foreign worker could be temporarily transferred to the US in an executive or marginal position in the office of the same employer or its branch or subsidiary. Donald Trump had advocated changing the immigration system of the US and had asserted to make it more merit-based. The main logic of merit-based immigration was to ensure that the immigrants entering the US were highly skilled and contributed to the American economy. The goal of the new system was to have less low-skilled immigrants. In March 2017, the Trump administration decided that the government should not undertake fast track processing of H-1B visa applications from 3rd April 2017, for the next six months so that the US immigration authorities could analyse the H-1B extension applications of visa holders whose visas were on the verge of expiry. India has been an aggressive advocate of a fair and a rational approach to be adopted on visa-related issues. India's Foreign Minister S. Jaishankar had conveyed to the US lawmakers to treat the H-1B issue as a trade and service matter than treating it as an immigration issue. The private US firms can pay a premium of 1225 US dollars per application. The payment of the premium ensures that the immigration department expedites the H-1B application and processes it in 15 days in contrast to the normal process of six months. The government of the US has now stopped this practice. Under the Obama administration, a new H4 visa programme was launched that enabled the spouse of the H-1B visa holders in the US to undertake jobs in the US. Trump administration had signaled a roll back of H4 visa as well. The Trump administration placed the High-Skilled Integrity and Fairness Act of 2017 in front of the House of Representatives. The legislation had advocated for a market-based allocation of visas. The legislation introduces mechanisms where companies can attract foreign talent by making it mandatory for a H-1B visa holder to have a minimum salary of 1,30,000 USD. This figure is double of what existed since 1989, that is, 60,000 USD. The legislation thus reduces the incentive to outsource jobs yet allowing an option to outsource jobs if the company expresses a willingness to pay. The legislation intends to promote fairness in hiring skilled workers globally by removing the per country cap for immigrant visa policy. To plug the loopholes in H-1B and L-1 visa programmes, the H-1B and L-1 visa reform acts were also envisaged. In January 2017, the Protect and Grow American Jobs Act envisaged an increase in the minimum salary of H-1B visa holders and removal of the master's degree exemption. The H-1B reforms will affect Infosys, TCS, Wipro and so forth. More so with the hike in the minimum salary exemption. The H-1B reforms may find it difficult to incur costs, thereby affecting their growth. The profitability of the Indian IT sector would be affected as profits were maintained on the off shoring model. India has officially conveyed its concerns without taking up the matter through diplomatic channels. Indian firms in the US have now started recruiting domestic Americans as per the new requirements.



## THE COVID-19 AND IMPACT ON THE INDO-US VISA DIPLOMACY

The US offers F-1 visa to the students that allows them to study for one year with a paid optional practical training, which usually leads to a job on the H-1B visa (the H-1 Visa regime began in 1952). A huge chunk of white-collar professionals apply under the H-1B category separately and migrate over to the US for short- and long-term projects. In most cases,



these projects lead to lifelong employments. Over the last few decades, a combination of these two streams has formed the core of the 4 million strong Indian communities in the US. However, the COVID-19 pandemic is likely to not only disrupt the annual migration but threatens to dismantle the template, which has led to the formation of this vibrant cohort. The COVID-19 has led to 36 million Americans being unemployed and this has destroyed the American Dream of many Indian immigrants. As the US under Trump had announced in June 2020 that the US government was cancelling H1-B visas for one year, this move was likely to affect the American economy because the US did not churn out adequate number of graduate in Science, Technology, Engineering and Medicine field for needs of the US industries and corporates. The reason why prominent American firms prefer immigrants is not because of a fiction that they are cheap labour (despite the US Labour Department certifying that they are well-paid) but because the global giants need global talent and this highly internationalist workforce also gives these American firms an opportunity to expand their presence in global markets and these firms know well that brain drain is better than a brain in a drain (implying leaving the global talent at places of origin where they cannot explore international opportunities due to lack of global standard businesses). No doubt, the great physicist and futurist Michio Kaku had rightly called the H1-B visa programme the secret weapon of America. The American Immigration Council has rightly advocated that H1-B workers are critical in responding to public health emergencies in the US and they are the driving forces of the COVID-19 vaccine development programme as well.

## THE NAFTA TEMPLATE FOR H1-B DIPLOMATIC COOPERATION

For instance, when Trump voiced his concerns on NAFTA, the Canadian PM realised that Canadian interests were at stake. He adopted a unique approach where the two parties could find a common ground rather than any confrontation. The strategy worked and a renewed NAFTA was finally adopted in 2018. The lesson for India here was a principle that came out. India needed to focus on collaboration and not confrontation with Trump. The idea of India would be to find a common ground mutually beneficial for both. The Trump administration had been very critical of H1-B visa issue. The administration had introduced some changes in the visa policy as well on the basis of Buy American and Hire American policy. Trump was concerned about what he called 'chain immigration' (where existing immigrants seeks permanent residencies for their relatives in the USA). It is important to note that Trump was not against immigration. All he had emphasised was that there needed to be immigration of highly skilled people to the US, who could help in the growth of the US and not of those who had limited skills. India had adopted a right approach in dealing with the issue. India had not raised the H1-B issue at a very high level in the administration except asserting that certain segments of the policy were discriminatory. The reason was that India had understood that there was no point adopting a confrontationist attitude because there were other green shoots available where a common ground could be achieved. India also knew that the protectionist strategy of Trump (compelling him to cut down H1-B visas and encourage states to go for domestic hiring) would make business tough for the American firms in the long run and they would themselves lobby for H1-B relaxations soon. Also, India knew rightly that in the last decade, the Indian who had immigrated to the US were 'highly skilled', thereby meeting the requirement of what Trump had emphasised upon. So, India had done precisely what Canadian PM did for NAFTA.

## KASHMIR ISSUE AND DIVERGENT STRANDS OF DIPLOMACY

Upon the insistence of the US, India took the matter to the UN in 1947. India opined that the UN would urge Pakistan to halt aggression and withdraw forces. In the meantime, India sent an extensive combat operation in Kashmir. By the time Indian troops entered Kashmir, Pakistan had occupied two-thirds of Kashmir. India continued to advocate a diplomatic solution through the UN. The British certainly did not favour escalation and they tilted to support Pakistan out of its own interest. The British decided to seek the US assistance. The US itself was not keen on meddling into Asian affairs and was initially reluctant. However, to respect its alliance with the British, the US began to develop a position similar to the British position on the matter. They also advocated a plebiscite and a political solution. The US even warned India that if India did not cooperate, it could have consequences for the Indo-US relations. India, in contrast, insisted that it did not need goodwill of any nation and it could anyway develop proximity to the Soviets. India resented the Anglo-American axis and perceived the US policy on Kashmir as an extension of the colonial legacy. Thus, Kashmir has been one of the core dimensions of the American policy since the Cold War. Both Obama and Trump administration had tried to add Kashmir into the US equation. Both had a common objective of doing so and that was to appease Pakistan. Both followed this appeasement policy to ensure that they get honorable solution to the American nemesis in Afghanistan. For the US,



Pakistan is very crucial because he needs their support to ensure that Taliban does not attack American interests in future when they become a credible player in Afghanistan.

## **AMERICAN OBJECTION TO CITIZENSHIP AMENDMENT ACT AND INDIA'S LAUTENBERG AMENDMENT**

The Indian Citizenship Amendment Act has been criticised by the US House Foreign Affairs Committee (HFAC). A quasi-official body called US Commission on International Religious Freedom (USCIRF), dominated by Christian fundamentalists advocated that there is a need to sanction principal leadership of India for the CAA. As a counter to CAA, India has raised Lautenberg Amendment of US (which was spearheaded by US Senator Frank Lautenberg in 1989), which allows certain persecuted religious minorities in the erstwhile Soviet Union to get the US citizenship. The amendment was extended to include 'persecuted minorities' from Iran in 2004, through the Specter Amendment. For India, the Lautenberg Amendments of the US are a strong response for Indian CAA because the amendments recognise that some refugees of specific religions from specific countries could be identified as 'historically persecuted groups' and, hence, given refugee status without requiring them to show that they individually had been persecuted. The template of the Indian CAA is quite similar.

## **THE US COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM REPORT AND DIVERGENT DIPLOMACY**

The USCIRF in its 2020 Report has added India as a country of particular concern (CPC), a tag that India got the second time after 2002 Gujarat riots under the able leadership of Narendra Modi. The USCIRF was established in 1998 under the International Religious Freedom Act as an independent US Federal Government Commission to monitor the freedom of religion all across the globe minus the US. The body has nine commissioners, of which three are appointed the President of the US, two by the party of the President of the US, four by opposition leaders in Congress. The report has branded India as a CPC due to various factors that range from a discriminatory Citizenship Amendment Act to that of violation of civil liberties in the aftermath of abrogation of Article 370 to that of Supreme Court playing a subjugated role of siding with the Executive in overlooking the implementation of a divisive and exclusionary NRC in Assam. Many true hate-filled orange coloured nationalists in India were too concerned about India being placed as a CPC along with Saudi Arabia, Pakistan, North Korea, Syria, China and Myanmar on religious freedom. They became more upset when certain West Asian countries tweeted them to remind them of the civilisational commitment of tolerance India always stood for, which stands to be eroding now due to state-sponsored terrorism unleashed in the country. From being a country of special concern (CSC), where India stood par with Scandinavian states, to now a CPC, which engages in severe violations of religious freedom is a domestic achievement of the ruling regime. This global blot on India has only proven the systematic, on-going and egregious violations including torture, degrading treatment, prolonged detention without charges and other flagrant denial of right to life and liberty of the minorities. A nation where occupants to highest constitutional offices, with complete patronage from the highest political office of India, proclaim, "revenge for anti-CAA protestors be fed with bullets and not biryani" have been contributors for India to be tagged a CPC. Even though the government might have diplomatically rejected the report by branding the report as "prejudiced, inaccurate and full of misleading observations", but the report does present an opportunity for India to introspect on the status of religious freedom being violated with a culture of impunity and state patronage.

## **SHARED VALUES, SHARED DEFICITS BETWEEN INDIA AND THE US AND CULTURAL MULTIPOLARITY**

Democracy and pluralism have been the greatest shared values that bind India and the US and have been a core driver of bilateral convergence. In any global posturing, the role of values in foreign policy seem to be declining today. This decline is traced back to the Cold War when the US tried to break the Sino-Soviet axis, aid the Chinese growth and eventually claim victory of the Cold War by defeating the Soviet. However, in this victory of the US was sown the seeds of decline of American predominance as the aid to Chinese growth eventually manifested as global ascendance of China. While aiding the Chinese growth story, the Americans displayed no interests in human rights and democratic values, both of which were absent in China till the time China was a willing partner in breaking the Soviets. Even though the US has often used



values and democracy as per their own convenience in the international system; it has left no opportunity in highlighting a 'democracy deficit' in India whenever possible. In recent times, through murmurs on India's religious freedom, democracy and human rights record, the Americans have often tried to corner India and portray it as a dark player in the international system. Despite the US using this as a faultline, the way India has handled these faultiness reflects that the two democracies can manage divergences quite maturely. India is well aware that the legacy of civil war continues to haunt the US and the recent event like Black Lives Matters, White Supremacy, Capitol Hill riots are showcasing to the world that the very foundation of trust, which binds American democracy, appears to be on shaky grounds. In this backdrop, both India and the US know that having multi-cultural and multi-ethnic societies will compel the two to often look at larger forces of history as they both realise that the world is not just politically and militarily multipolar but even culturally multipolar. In this sense, both India and the US know that the issue of democracy is not a challenge but a way to open a new space of cooperation between India and the US.

## THE ROAD AHEAD FOR INDIA'S DIPLOMACY WITH THE US

As analysed above, there are a lot of irritants that happen to exist as the relations are not between equals, as India is a post-colonial state while the US is a mature hegemonic power; thus, a situation where even small things can have large consequences. There is absence of mutual trust and high respect deficiency. The establishments of the two sides are often disappointed for non-achievements of short-term objectives. The two sides do not have adequate understanding of the potential of the bilateral economic ties. Unfortunately, the two sides till now have not developed meaningful and pragmatic ideas that can be applied realistically to enhance their strategic partnership. More so, the Americans till today suffer from the 'chained elephant' symptom. Despite India making tremendous economic progress, the Americans still feel that India is a land of snake charmers and illiterate people. There is no strategic convergence on many issues. India feels that at the international level, the US is a protector of the rich and the US feels that India is a manipulating nation that is a representative of the poor. India feels that the US has not been able to realise that India has a mind of its own. India says that the US is not able to understand that as India was colonised by the British because of trade practices, it is this why India is reluctant to be too open on issue of trade, like the US. The Indians till today are unable to come out of the hangover of American support to Pakistan during the Cold War. A huge segment of Indian strategic community feels that the US is not a reliable partner. In the present times, the India and the US have very divergent views on Russia, China and Iran. For India, Iran is a valuable partner not just for oil but also access to Afghanistan and the larger Eurasia. The US views Iran as an evil and wants India to reduce its oil dependence from Iran. This is ironic as historically American West Asia policy has been also dependent upon energy from the region. In the era of Trump, the entire American society was divided in Russia. Half of the society in the US feels that Russia needs to be constrained through sanctions and isolation to prevent a revival of the Cold War (Trump falls here), while the rest half believes the need to cooperate with Russia for stalling China. India is caught in this crossfire, despite having a deep relationship with Russia, which India is not willing to forgo, despite its growing proximity to the US. Thus, India has to negotiate carve-outs, sanction waivers and exemptions. Even though there is consensus in India and the US that China is the 'Banquo's ghost' and is a threat in Asia owing to its attempt to position itself as an Asian hegemon; there is no understanding on how India can share burden and responsibilities to check China. In fact, India has adopted a layered strategy where it is okay to engage in the Indo-Pacific and Quad (designed as per Americans to check China but perceived as just other 'multilateral arrangements' by India). Only if these deep-seated perceptions change, can the two sides enable to evolve a deep geopolitical and strategic relationship, based on 'shared values'.

## QUESTIONS FOR PRACTICE

S. No.	Questions for Practice
1.	Do you think the India-US nuclear deal was an attempt to balance China? Discuss.
2.	Examine the major irritants between India and the US relations.
3.	India and Latin America have low octane ties? Discuss.
4.	Explain the major features of India and the US strategic convergences.
5.	Do you think that the trade war between the US and China is an opportunity for India? Discuss.



## SECTION 12

# IMPORTANT INTERNATIONAL INSTITUTIONS, AGENCIES AND FORA—THEIR STRUCTURE, MANDATE

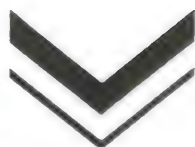
- 1. India in the United Nations: Negotiation Styles and Aspirational Status
- 2. India's Diplomacy in Global International Organisations

### AN OVERVIEW

UPSC has asked macro questions from this area. For instance, in 2021, a question on QUAD was asked while in 2020, the question was related to the role of WHO in managing the pandemic. In 2018, one question was on Ashgabat Agreement while another was implications of trade war. It is observed that questions can be divided into two parts. Sometimes the questions are related to institutions associated with the United Nations and sometimes, the questions are related to other institutions outside the UN system like BRICS, AIIB etc.

**Potential foresight** On the basis of the trend observed, it is clear that questions are likely to be more related to macro agreements, India's participation and growing profile in G-7, G-20, India's permanent candidature in the UNSC, experience of India as a non-permanent member of the Security Council and India's global agendas. There must be a careful study done of the reforms India is seeking in international institutions and methodologies associated. Also, one must carefully analyse institutions where India is able to break the ice and act as a bridge such as OIC and BRICS.





# 1

## CHAPTER

# India in the United Nations: Negotiation Styles and Aspirational Status

## HISTORICAL ORIGIN OF THE UNITED NATIONS

The origin of the United Nations (UN) can be traced back to the period of enlightenment in the eighteenth century, which inspired the concept of rationality in the conduct of international affairs. The manifestation of this rationality culminated in the birth of first, the League of Nations, and then of the UN. The age of enlightenment gave birth to modern liberal democratic nationalism and introduced concepts such as democracy and international law. In the period preceding the eighteenth century, the international relations between states were based upon mutual treaties to maintain peace and force as an instrument was used only when any principle of a treaty was violated. The hierarchical imperial administrations maintained public order through dominance. The Peace Conference of Westphalia in 1648 was the first instrument of modern times that established the idea of balance of power. The Peace of Westphalia addressed issues related to the reorganisation of Europe after the conclusion of the Thirty Years' War. The Peace of Westphalia was followed by another landmark event—the Vienna Conference in 1814–15, where the participants of the conference aimed to serve peace to the world by organising regular meetings of the great powers. The Vienna Conference or the Concert of Europe ultimately established a peaceful Europe. It initiated the System of Congress in European affairs where consultation was used as a mechanism to resolve disruptive rises. Though the Concert of Europe had helped in supporting international cooperation, World War I caused a serious disorder to the existing system. At the end of the World War I, the USA entered the club of the great powers. Woodrow Wilson, the President of the USA, in his famous 'Fourteen Points' speech<sup>1</sup>, envisaged the creation of a new body called the League of Nations. The basic aim of the League was to strive for collective security and eliminate chances of a future war. The formation of the League as an international body made sense because there had been tremendous bloodshed during the World War I. Leaders at the time were determined to establish a world organisation to prevent another conflict on the same scale. In 1919, at the Paris Peace Conference, Wilson tried to include the clause detailing the establishment of the League of Nations as part of the Treaty of Versailles. The Covenant for the League of Nations finally came into force on 10th January 1920 and the League held its first meeting in Geneva.



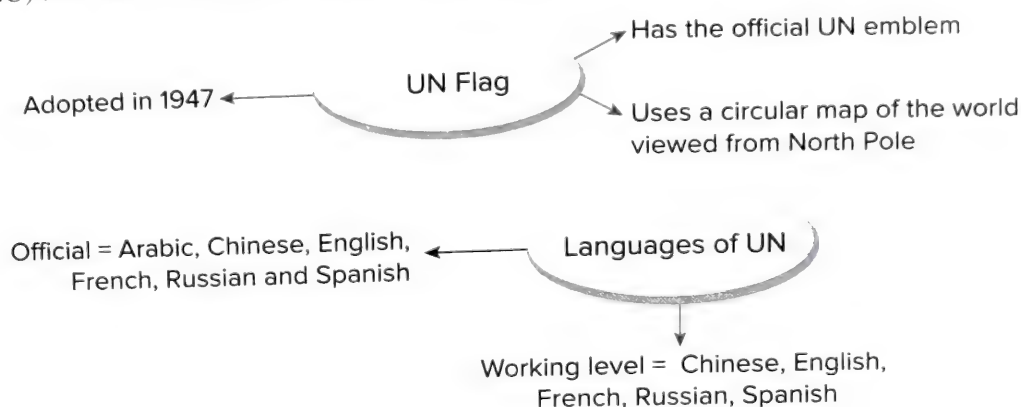
<sup>1</sup>Fourteen Points is a blueprint for world peace that was to be used for peace negotiations after World War I, elucidated in January 8, 1918, speech on war aims and peace terms by the US President Woodrow Wilson.



The USA, which had proposed the creation of the League in the first place, did not join the same as the USA Senate had refused to ratify the Treaty of Versailles. The entire cause of the League of Nations got diluted because of the absence of the USA as a power in the League. Over a period of time, the League as a body became ineffective and inoperative. The Atlantic Charter of 1941 planted the seeds for a future global organisation for 'general security'. In 1942, the Foundational Declaration of the UN was announced. Franklin D. Roosevelt coined the term UN for the first time. The new organisation was envisaged under the Atlantic Charter and it advocated the idea of general security and not collective security as envisaged under the League of Nations. Roosevelt, Churchill and Stalin laid the foundation of the new body called United Nations (hereafter referred to the UN) at 4.50 p.m., on 24th October 1945. A total of 51 original members (or founding members) joined that year. Fifty of them signed the Charter at the UN Conference on International Organisation in San Francisco on 26 June 1945, while Poland, which was not represented at the conference, signed it on 15 October 1945.

## BASIC PRECEPTS OF THE UN

As mentioned in the previous section, the UN emerged as a second attempt by the world to create a new inter-governmental organisation (IGO) after the creation of the League of Nations.



India is a founder member of the UN as it was one of the parties, which signed the charter establishing the UN in 1945 in San Francisco. The UN presently consists of 193 sovereign member states that have equal representation in the UN General Assembly. The UN is the world's largest intergovernmental organisation, ahead of the Organisation of Islamic Cooperation. The UN can suspend a member if a member violates the UN Charter. No country has ever been suspended from the UN till date. The UN has not achieved universality because Vatican City and Taiwan have not become members of the UN till date. The criteria for admission of new members to the UN are set out in Chapter II, Article 4 of the UN Charter:

1. Membership in the UN is open to all peace-loving states, which accept the obligations contained in the present Charter and, in the judgment of the Organisation, are able and willing to carry out these obligations.
2. The admission of any such state to membership in the UN will be effected by a decision of the General Assembly upon the recommendation of the Security Council.

A recommendation for admission from the Security Council requires affirmative votes from at least nine of the council's fifteen members, with none of the five permanent members using their veto power. The Security Council's recommendation must then be approved in the General Assembly by a two-thirds majority vote.



The primary responsibility of the UN, which lies in maintaining global peace and security, rests with the Security Council (SC). The UNSC has five permanent members namely, the USA, the UK, France, Russia and China. The five permanent members have special voting rights. This special voting right, which they may also exercise against or for each member, is called veto power. Using a veto power, any of the five member states can defeat a decision. Abstention from a voting by a



permanent member is not tantamount to the use of veto. While solving international disputes, the SC has the responsibility to take decisions. To maintain peace and security, the SC can setup fact-finding missions, observation missions and may even advocate a case for mediation, conciliation and assistance.

## CONCEPT OF RESPONSIBILITY TO PROTECT (R2P) AND PREVENTIVE DIPLOMACY

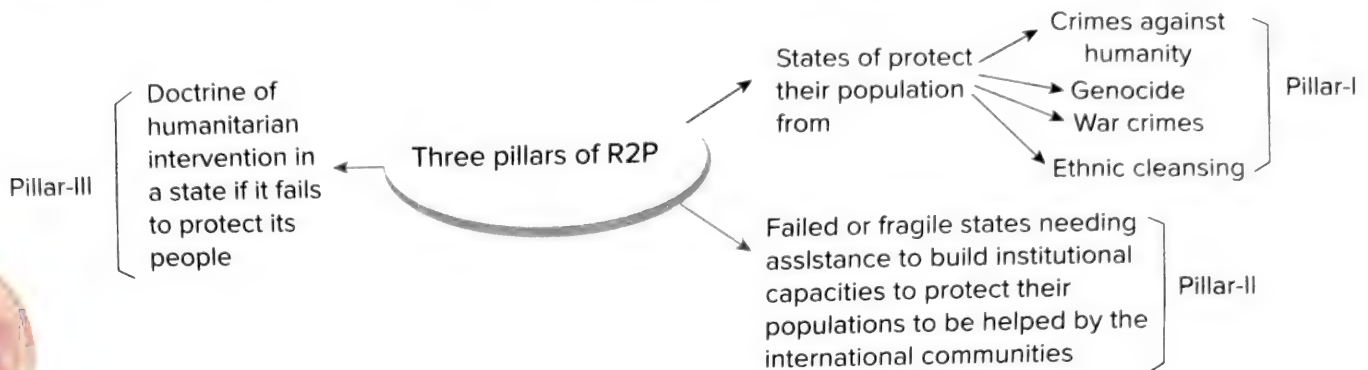
The functioning of the UNSC is not open to the public. The global community is apprised of the decisions of the UNSC through announcement of briefings. What goes into the making of these decisions by the five permanent members is not disclosed. Knowing how UNSC takes decisions is crucial as it is the sole global body vested with the authority to determine if a threat to international security exists or not. Indian diplomat Hardeep Puri asserts that at times, UNSC decisions have been perilous interventions causing more destabilisation in an already volatile situation. According to Puri, who has served as the Permanent Representative of the UN, when India was elected to be a non-permanent member of the SC in 2011–12, the recent UN interventions in Syria and Libya have been perilous. Puri moreover insists that the perilous and unnecessary interventions in Iraq have led to the rise of non-state actors and terrorist groups such as ISIS. Such interventions are largely made on the logic of 'Responsibility to Protect' (R2P) to prevent genocide and seek support at the humanitarian level. Since the end of the Cold War, the idea of preventive diplomacy has emerged in the form of R2P. Some scholars who have analysed the R2P have developed a view that *R2P is a code that gives the international community unbridled powers that often lead to interference in the internal affairs of nation states*. Such scholars feel that R2P could be a phenomenon that could potentially give rise to a new era of colonialism. The main idea of preventive diplomacy is to cure the conflicts before they emerge in their fiercest forms on the international scene. Dag Hammarskjöld, who was then the Secretary-General of the UN, used the term preventive diplomacy for the first time in 1960s. He proposed that the basic idea of preventive diplomacy was to keep local conflicts outside the superpower rivalry and prevent the two superpowers from escalating conflicts. Though the view of Hammarskjöld was relevant during the Cold War period, it lost its relevance during the post-Cold War era due to the absence of active rivalry between power blocks. The sixth Secretary-General of the UN, Boutros Boutros-Ghali propounded a new approach in the post-Cold War times in 1992. According to him, preventive diplomacy was not only about preventing disputes that already exist from escalating into conflicts, but also about taking action to prevent a dispute itself from arising. The idea was based upon the logic of common good of the entire humanity. The eighth UN Secretary-General, Ban Ki-Moon, also asserted that preventive diplomacy should involve all the stakeholders to strengthen the UN partnerships between all regional and international actors. He emphasised that any preventive diplomacy, when applied, should be under the larger umbrella of the UN Charter and should not violate the sovereignty of a state.



Preventive diplomacy is not concerned with solving every problem in the world, as it is a special response in a situation, which warrants interference to avoid escalation into any form of violence. It may not even always prevent a conflict, but as a tool may promote peace by preventing escalation of the conflict. According to Article 51 of the UN Charter, if there is an armed attack upon a state, the state can resort to use force in self-defence while informing the UNSC immediately. Article 51 further asserts that the SC can also initiate steps to restore peace and security in the international system. Under the Chapter VII of the UN Charter, the determination of the existence of a threat to the world peace would be taken only by the UNSC and under Article 41, steps would be taken to maintain peace without the use of force. However, under Article 42, the UNSC is empowered to use air, sea or land power to restore peace through blockades and operations. A lot



of questions remain unanswered. The most important question is on what criteria the UNSC would get to decide that an issue in a state is ripe for international intervention and is not an internal matter. There are, however, international situations where a concept such as the R2P actually helps. The idea of R2P is that a state actor should take steps to protect people and if a state, in some extreme scenario, is unable to protect its people, then the responsibility to protect its citizens falls upon the international community. The R2P was endorsed by the UNGA in 2005 and the UN resolutions 1694 (in 2006) and 1894 (in 2009) also affirmed the same. The states are quite worried, as some have developed a feeling that R2P would be used to interfere in the internal affairs of a state and may lead to regime changes.



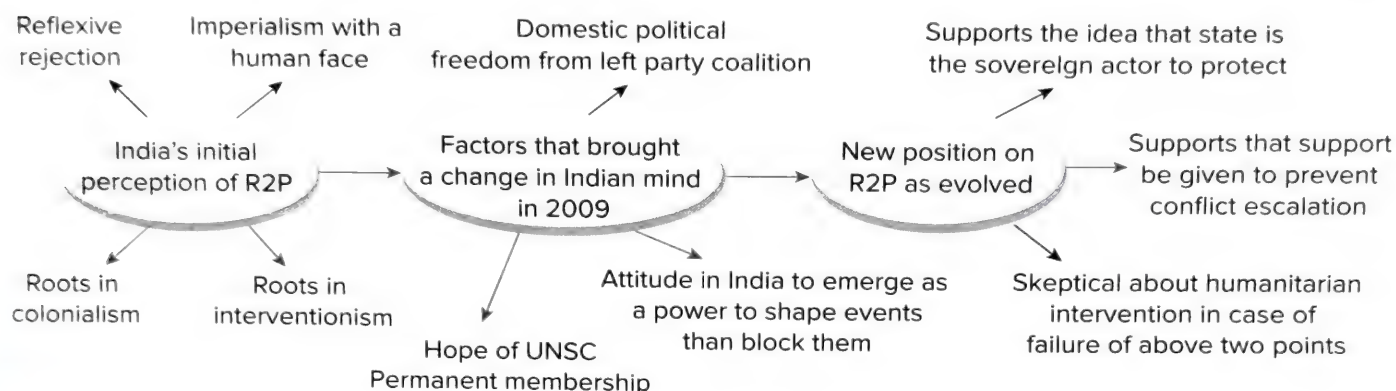
## PRINCIPLES OF INDIA'S PREVENTIVE DIPLOMACY AND R2P DIPLOMACY

During the Nehruvian times, India evolved the principles of non-interference and non-intervention. However, in 1971, when Indian troops helped sliced off East Pakistan, India cited the logic of right of self-defence provided under Article 51 of the UN Charter (as explained above). At the global level, whenever India has engaged at UN level, it has favoured the idea of using non-violence as a tool of conflict resolution. India's political perception of not viewing the world in completely black and white is rooted deep in its psyche. This perception owes its origin to 2000-year-old Indian epic called *The Mahabharata*. India often dictates openness, tolerance and non-violence to all states as a value irrespective of a domestic regime. In 2001, the International Commission on Intervention and State Sovereignty (ICISS) prepared a report on R2P. India, during the initial phase of evolution of the concept of R2P, showed some skepticism. It, initially, did not even send official representatives for a discussion. The reason it did not officially participate in ICISS was because ICISS was an NGO and India normally does not officially interact with NGOs by sending its diplomats. More importantly, the Indian perception about R2P was that it was largely, as explained and discussed by the ICISS, just a new name for humanitarian intervention where Western states wanted to resort to some sort of force to achieve their own interests. All these years, India had formed a group called G-4 in 2004 with India, Brazil, Japan and Germany, and used the G-4 to advocate for the UN reforms. As the debate on R2P progressed, India initially stated that it would not accept right of humanitarian intervention or idea of military humanism in any form, as was under discussion. In fact, India's Permanent Representative to the UN at that time asserted that only a reformed and enlarged UNSC should be authorised to undertake any decision on any such issue and that it should also include the regional organisations. India constantly exhibited recalcitrant opposition to the idea of R2P in the initial years. The initial document of the R2P followed the idea of coercive solidarism<sup>2</sup>. However, as there was a staunch opposition to the idea, the idea of 'consensual solidarism' was added by replacing the idea of coercive solidarism. However, two events in the times ahead brought about a shift in Indian perception of the R2P. Let us have a look at the two events. In 2007, the military Junta of Myanmar suppressed peaceful protestors. All Western states condemned the suppression and even resorted to sanctioning Myanmar. India, on the other hand, stated that such issues were domestic issues of a state and that India would remain neutral to its neighbour's internal squabbles and continue to engage with Myanmar. In 2008, Cyclone Nargis caused heavy devastation in Myanmar. India immediately resorted to an engaging approach of closed-door diplomacy and provided immediate relief supplies. Similarly, in 2009, as the Sri Lankan civil war was in its final stages, India maintained a diplomatic rhetoric of no harm to the civilians (this was due to domestic political compulsions and the upcoming elections in 2009), but refused any sort of intervention

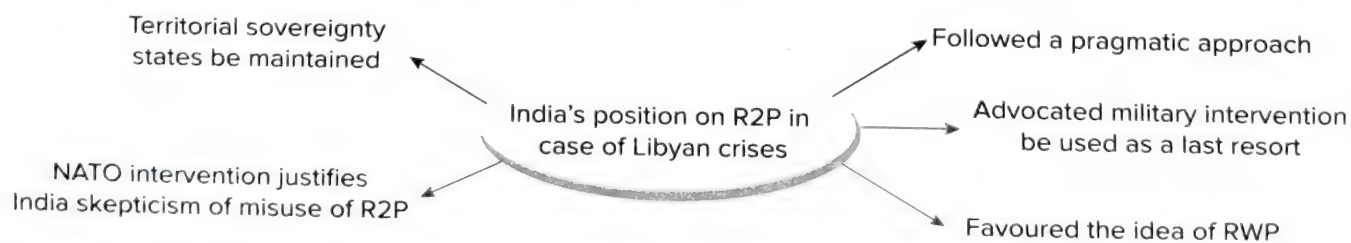
<sup>2</sup>Solidarism is the social theory of a combined solidarity of interests.



in the affairs of Sri Lanka. These two instances of 2007 and 2009 gave India an option to evolve its position on R2P. In 2009, when the UNGA debated the R2P, India asserted that it favours the idea that protecting its citizens is the sovereign responsibility of the state. India supported the pillar I of the R2P. India also supported the idea that weak states would be provided international assistance to prevent conflicts from escalating. India, thus, also supported pillar II of the R2P. India showed resistance to the idea of international humanitarian intervention in case a state failed to protect its people. India asserted that this measure should be used as a last resort and only exercised on case-specific basis. India maintained that if international humanitarian intervention is used (as a last resort) it should be used in compliance with the Charter of the UN and regional organisations operating in the region of intervention should be consulted. India, therefore, supported pillars I and II and conveyed its disagreements over pillar III.



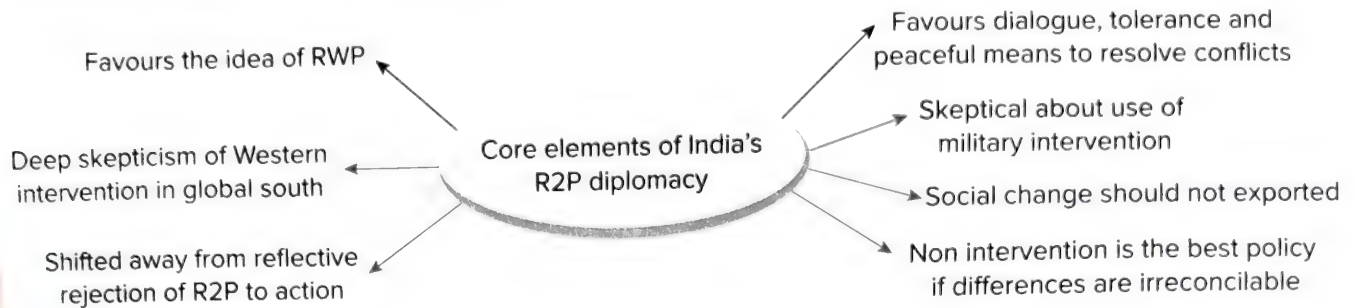
In 2010, India was elected to the UNSC as a non-permanent member for two years. India witnessed its first challenge in February 2011 when the Libyan crises took place. The UNSC passed a resolution (resolution number 1970) urging for an immediate halt of violence and advocated that the Libyan case be referred to the ICC. India voted in favour of the UNSC resolution 1970. As the situation in Libya worsened, the UNSC passed another, more stringent, resolution (resolution 1973) and urged the member states to take all possible actions to protect civilians. India abstained in the vote of the UNSC resolution 1973 as it stated that there was no clarity on the ground situation in Libya and the action advocated under the UNSC resolution 1973 violates Libyan sovereignty. The NATO immediately launched Operation 'Unified Protector' in Libya. India vocally criticised the NATO operation as, when the NATO began its operations, it began to fund the rebels for a regime change. India was alarmed to see that instead of focusing on making peace on the ground, NATO was making no attempts for a ceasefire. India asserted that the way the UNSC resolution 1973 was adopted and implemented on the ground brought a bad name to the idea of R2P. India began to press the idea that there needed to be a broad debate upon the third pillar and the circumstances in which it will be used. Brazil also promoted the idea of Responsibility While Protecting (RWP) and India advocated that R2P should be anchored in RWP. India further asserted that imposing the idea of a regime change from outside is a dangerous path to be followed.



In October 2011, the Syrian crisis became the second area of contention for India. India again abstained from voting in the case of Syria, as it did not want a 'second Libya' situation to be perpetrated in Syria. India emphasised that it would favour a dialogue in Syria and not a threat of sanctions as advocated by the West. India, during its tenure as a non-permanent member of the UNSC, succeeded in getting statements passed that not only condemned the Syrian atrocities on civilians but also proposed a negotiation and a national solution amongst the parties in the civil war. In February 2012 and July 2012, India supported two more resolutions, which favoured a regional attempt by the Arab League to find a solution and



use of non-military sanctions on the Syrian regime led by Assad. The analysis of Syria and Libya clearly prove that India favoured its own interpretation of R2P rooted in its own historical past. Our analysis of India's behaviour from 2005 to 2012 on R2P shows that India does not want to be a power that obstructs but instead wishes to be an emerging player that shapes international norms, while preferring to play a rule-based game.



## KEY ELEMENTS IN INDIA'S MULTILATERAL NEGOTIATIONS IN FOREIGN POLICY

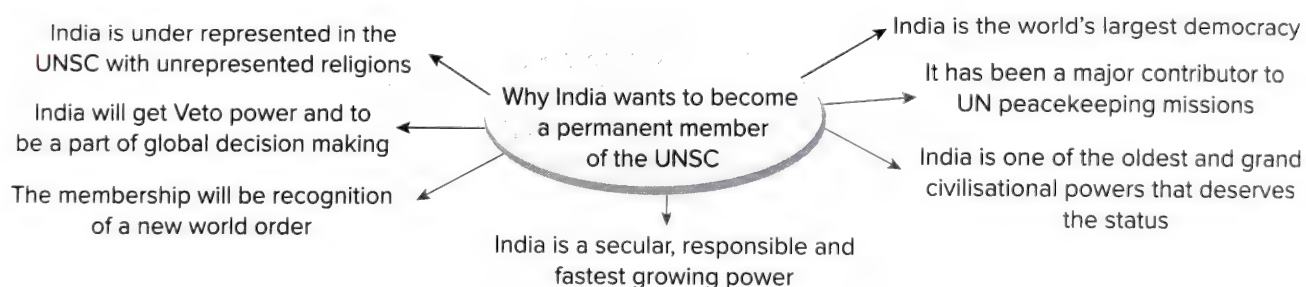
India has realised that multilateral forums offer India necessary platforms to exercise global influence. India always attaches greater importance to global organisations as it helps in measuring the rise of India as a major player in the international system. Indian diplomats also consider postings in the global organisations as prestigious as it enables them to inculcate some serious negotiation-related skills in themselves. In the initial period of the Cold War, India used to be a rule taker at the global level. Since the end of the Cold War, India has shifted its position to that of a rule maker today. Keeping in sync with growing Indian capabilities and a rising international profile of India, India has decided to partake in the exercise of shaping norms today. What puts Indian diplomats in a place of advantage in international organisations is their proficiency in English and deep knowledge about the history of core issues vested in the international scene. Instead of formal training, Indian diplomats work upon building their historical knowledge database by working with senior diplomats and such skill comes handy in international organisations. Many countries in the world, at different times, have appreciated this quality in Indian diplomats. At the international level, Indian diplomats strive to act as a bridge between conflicting parties. A unique feature of Indian diplomacy at the multilateral level is that they may refuse firmly to accept a deal which may be unfavourable to India. This aspect of India's policy is visible at forums discussing climate change, trade and nuclear deals such as NPT and CTBT and so on. Because of such a behaviour, at times, India often puts to risk the support of powerful countries that may have helped her play a larger role in shaping norms at the global level. India's traditional multilateral policy began from the way it rallied countries under the rubric of non-alignment and G-77. These groups were used by India to reject the ideas propounded by the West against the interests of the participants. The non-aligned states and G-77 collectively worked as a coalition in the UN to block any initiatives that might hurt the interests of the coalition. At the end of the Cold War, non-alignment became more of a forum. India gradually began to shift to seek solidarity with smaller groups that could advance Indian interests. As India searched for smaller groups, it remained confined to developing states only. According to Aruna Narlikar, the coalition was not issue-based but still a bloc-style concept. India has, however, found it difficult to obtain recognition for new groups. India, for instance, found it difficult to establish a group called 'Development Agenda Group', comprising twenty-two states. India has, in the meantime, launched a massive bureaucratic campaign for a permanent seat to the UNSC. In fact, whenever there has been a state visit of any leader, India makes the pledge of support by the visiting Head of the State as a part of the Joint Communiqué. Despite support pledges from the USA, the UK, France and Russia, India has not been able to succeed effectively. In fact, India has become a part of the G-4 to seek a coalition-based support for a permanent UNSC seat. One of the important reasons for these unsatisfactory results till date regarding the campaign is the lack of a powerful push from the Indian political leadership and relatively less resources available to the diplomatic corps for the campaign. India, in the last two decades, has become unsuccessful in mobilising foreign states, based on compelling arguments, to push for India's candidacy at the UNSC. Also, there has been no realisation amongst the P-5 states of anything of India's inherent power structures that may compel them to add India in the group. The P-5 has still not had the feeling that the absence of India at the P-5 states may have led to a missing link in adequate representation of all states equally in the world. The bureaucratic lethargy was visible in 2006



when Shashi Tharoor entered the fray to be appointed the UN Secretary General. Tharoor lost out to South Korean Ban-Ki Moon, as Indian foreign bureaucracy could not powerfully assert at the level of closed-door negotiations with all states in the world while South Koreans made Ban-Ki Moon's appointment one of the core priorities of their foreign policy. In 2007, India rectified the shortcomings in Tharoor's campaign when it came to the appointment of a Secretary General of Commonwealth of Nations. India's MEA and political leadership launched an elaborate and a massive campaign that saw Kamlesh Sharma sail through.

## INDIA AND ITS DIPLOMACY AT THE UN

India has played a key role in the creation of the UN. An Indian delegation was present at the San Francisco Conference in 1945 and was represented by C. P. Ramaswamy Mudaliar, Feroz Khan Noon and V. T. Krishnamachari. While the discussions were going on in the conference, India proposed that instead of the UNSC 'electing' six non-permanent members, it should 'appoint' the members on criteria such as their population, the industrial capacity of the state and so forth. India also asserted that six members be 'appointed' to the UNSC to participate in the discussions of the UNSC without a right to vote. Though India's suggestions were not accepted, India also raised concerns over veto powers. India became one of the founding members of the UN. As India began to engage with the UN as an independent country, it first focused on decolonisation. India believed that the UN, as a platform, could be used to expedite the process of decolonisation of the world and this would also provide India an opportunity to showcase its global leadership at a world platform. Throughout the period of the Cold War, India began to use the UN platform for spearheading disarmament and solicited the support of the UN for development. The 3-D formula of India at the UN (Decolonisation, Disarmament and Development) worked well for India. However, at present, India has been seeking reforms in the UNSC. India aspires for a permanent seat at the UNSC. In 2015, an Intergovernmental Negotiation adopted a formal document at the UN for the UN reforms. A text-based negotiation process has been launched for reforms of the UNSC from 2015.



China has been one of the primary hurdles in India's accession as a permanent member to the UNSC. China does not want to share the status of being the only Asian power in the UNSC with India. More so, although India has received vocal support from the USA, the UK, France and Russia for its permanent candidacy to the UNSC, these powers have been quite reluctant to undertake the UNSC reforms to add India. There is a general perception that the powers intend to maintain a status quo in the arena of international relations. Also, as permanent membership to the UNSC requires two-thirds majority of the UN General Assembly, seeking a consensus on the same shall be another challenge for India. Some permanent members of the UNSC have argued that India's contribution to the budget of the Security Council does not match its claims to be at the higher table. However, with the beginning of the text-based reforms since 2015 for the first time in the modern history of the UN, the situation has reignited hopes for India's permanent candidacy once again.

## INDIA'S AGENDA AS A NON-PERMANENT MEMBER OF THE UN SECURITY COUNCIL

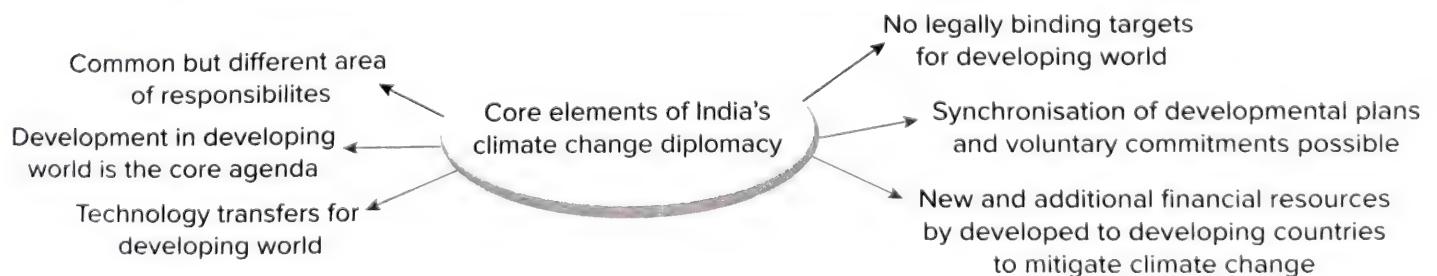
In 2021, India was appointed as one of the non-permanent members of the UNSC for 2021–22. India was elected unopposed from Asia-Pacific seat with 183 of 193 votes in favour. Prior to its selection, India initiated a brochure campaign to highlight its agenda that India intends to put at the global table as a member. India's Foreign Minister S. Jaishankar asserted that India shall highlight international terrorism, reforms of the UNSC and its expansion, streamlining the peacekeeping



operations of the UN and technology initiatives India intends to undertake. India, on becoming a member, highlighted that the processes of international governance have come under a severe strain because the traditional and non-traditional security threats have remained unchecked and one such egregious example is of terrorism. India also asserted that the COVID-19 caused economic crisis and unreformed and under-represented SC are global challenges. Thus, Indian foreign minister has asserted that as a non-permanent member, India shall be pushing for New Orientation for Reformed Multilateral System (NORMS). To achieve success in the objectives India has set for herself, it is imperative that India does not go for a transactional diplomacy at the global table, but rather adopts a value-based leadership and position itself as a voice of the weaker nations.

## INDIA AND CLIMATE CHANGE DIPLOMACY

The debate of climate change owes its origin from 1970s. The UN Conference on Human Environment was held in 1972 in Stockholm. Twenty years later, in 1992, the world achieved consensus to establish UNFCCC (United Nations Framework Convention on Climate Change). Over a period of time, the UNFCCC along with IPCC (Intergovernmental Panel on Climate Change) worked out some dedicated scientific research on the issues relating to global warming. The newfound euphoria for climate sciences culminated in the birth of the Kyoto Protocol in 1997. The Kyoto Protocol, however, ended in 2012 (as its compliance period was from 2008 to 2012) and since then the leaders of the world have been struggling to come out with a new successor agreement, despite the Paris Agreement available as a rudimentary framework since 2015. In the same time period, however, the leaders of the world were able to achieve a consensus on Montreal Protocol to tackle issues pertaining to depletion of ozone layer. India has participated in the global climate change diplomacy since the 1980s. India was one of the most forceful voices in 1972 at the UN Conference on Human Environment that was held in Stockholm. India asserted that the fixation of the Western world on industrialisation and aggressive economic growth has been the most important reason for rise of environmental concerns at the global level. Indira Gandhi at Stockholm emphasised that over-consumption of resources in the West was a major cause for the degradation of environment. She refuted the claims of the West that exploitation of natural resources by developing world was the major reason for the environmental mess. Indira Gandhi asserted the right to development of the developing world as a strategy. She advocated that the Western world provide assistance to the developing world in its quest for development, as they were responsible for the injustices perpetrated upon the third world due to colonialism and imperialism. In 1988, the UN asserted that climate change is a common concern for mankind and decided to setup an IPCC to deliberate upon the issue of climate change. The UNGA, in 1989, urged members to establish a 'framework convention' to address climate change. In 1992, this led to the birth of the United Nations Framework Convention on Climate Change (UNFCCC) in Rio at the Earth Summit. India was a part of the intergovernmental negotiating committee, which negotiated the conduct of the convention. India understood that climate diplomacy could affect its national interests and hence, became a part of the climate change negotiations. India began to outline its position on climate change that the GHG (greenhouse gas) emissions were majorly caused by the developed world, as the emissions of the developing world were miniscule in comparison. India also said that as developing world will have to work to remove poverty and undertake development, their GHG emissions would rise. Therefore, in this prevailing scenario, a legally binding target upon the developing world could not be advanced. India advocated that any convention in future should establish a bridge of technology transfers from the Western world to the global south to help them meet developmental challenges. India advised that an equitable solution to tackle GHG emissions is that the developing world reduce their emissions per capita and converge them with the per capita emissions of developing world.





At the CoP-1 (Conference of the Parties) in Berlin, in 1995, India advocated that Annex-I parties accept legal targets to reduce emissions in a time-bound manner through a protocol. India succeeded to get the idea of 'differentiated responsibilities' endorsed in the Berlin mandate. India, during the CoP-3 negotiations in Kyoto, pressed for the removal of any voluntary commitments for developing world. The CoP-3 agreed upon the same but introduced mechanisms such as joint implementation, clean development mechanism (CDM) and emissions trading and so on. Over a period of time, India accepted that it would ensure (through a voluntary pledge) that its emissions do not exceed the emissions of the developed world. In the Bali Action Plan, India successfully ensured that its domestic measures for mitigation are not placed under external scrutiny as doing so would have violated India's sovereignty. In 2008, India announced its National Action Plan on Climate Change. India pledged that it will resort to mitigation actions domestically and by 2020, would voluntarily reduce India's emission intensity by 20–25% of its GDP. India follows a two-point strategy. It has joined hands with the G-77 to ensure that no legally binding commitments are imposed on developing states. It has also worked with the BASIC group (Brazil, South Africa, India and China) at the global level. When the Modi government came into power in 2014, it continued with the same policies as it had espoused earlier. India is still following a bilateral policy to garner financial and technical support for clean energy; its recent deals with France and the USA are testimony to that fact. India in the recent times has shown a great resolve at the Paris Agreement of Climate Change. The Paris Agreement focuses on developing the capabilities of developing countries to combat climate change in sync with their national priorities that each state has to define under the Intended Nationally Determined Contributions (INDCs). India has announced its INDCs and is trying to play a crucial role in global climate debate. When Donald Trump assumed the Presidency of the US in 2017, he passed an order withdrawing the US from the Paris Agreement. This provides India yet again an opportunity to lead the global climate negotiations. Under its INDCs, India has indicated that it will achieve about 40% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030 with the help of transfer of technology and low-cost international finance including the Green Climate Fund. The contributions under INDC have to be achieved by 2030. India has set renewable power deployment target of 175 GW by the year 2022, which includes 100 GW from solar and 60 GW from wind energy.

## INDIA AND ITS DIPLOMACY AT THE WORLD TRADE ORGANISATION

Before the World Trade Organisation (WTO) came into existence in 1995, there was a General Agreement on Tariffs and Trade (GATT). India was one of the members of GATT but could not achieve much success as GATT was dominated by the quad of Canada, the USA, Japan and the EU and was a rich man's club. Before the WTO was born, the world witnessed heavy protectionism. There were tariff barriers, which were imposed by states that restricted trade, but, when the WTO was formed, its primary focus was removal of tariff barriers to integrate the economies of all nations in the world. The WTO came out with 19 agreements (with each having an annexure) to achieve its objectives. In 1986, multilateral negotiations began under the Uruguay Round. The negotiations under the Uruguay Round ended in 1994, with a recommendation to create the WTO. Uruguay Round advocated that there should be a gradual reduction of tariffs and a timeline to dismantle Multi Fibre Arrangement (MFA) which governed the textile trade under the Agreement on Textiles and Clothing (ATC) as well as the Agreement on Agriculture (AOA). Though the process to dismantle the tariffs completed by 2005, textile products still continued to have high tariffs. When the WTO was formed, it advocated non-discriminatory free trade through negotiations by ensuring predictability and transparency in global trade. The WTO came out with an Agreement on Subsidies and Countervailing Measures (SCM), which, in turn, came out with three product categories. Under the red category, if one state gave a subsidy on a product for its manufacturing and then exports it to the other state, then the importing state can ban the import of the product. A state in this case, under the amber category, can either invoke countervailing duties or report to the Dispute Settlement Mechanisms (DSM) of the WTO. If the product falls under the green category, no action can be taken by a state. Under the General Agreement on Trade in Services (GATS) a state could resort to setting Sanitary and Phyto-Sanitary (SPS) measures and create Technical Barriers to Trade (TBT) agreements. Under the Trade-Related Intellectual Property Rights (TRIPS) agreement, states, by establishing domestic laws, need to ensure stringent punishments for copying intellectual property rights and take steps to prevent piracy. As India integrated itself through the WTO, its trade began to increase. As the MFA was scrapped under the ATC of WTO, India also witnessed a textile boom. As developing countries faced difficulties to implement the agreements of the WTO, they began to seek concessions. A new round of negotiations began in Doha



in 2001. The negotiations were known as the Doha Development Agenda (DDA). As the DDA negotiations began, India raised concerns over the Special Safeguard Mechanisms (SSM), which was essentially a tool that would allow developing countries to raise tariffs temporarily to deal with import surges or price falls. Issues related to Non-Agricultural Market Access (NAMA) too emerged in the DDA. During the DDA, the developing countries asserted that they had not been granted sufficient trade concessions, while developed countries argued that developing countries have not eliminated tariffs in agriculture and services sectors. During the DDA negotiations, the developed countries advocated that through a Trade Facilitation Agreement (TFA), the developing countries should open up their markets. Because of many differences between the developed and developing states at the DDA, the negotiations collapsed. After the failure of Doha negotiations, to make a breakthrough on agriculture subsidies and SSM, the next debate began in 2013 in Bali where again issues related to agriculture erupted. The Bali negotiations decided to focus on TFA, as it would facilitate border trade. For India, the priority with respect to TFA was to clarify that if it was unable to fulfill some complicated provisions of TFA, then it should not be made to go through proceedings related to dispute settlements. As the USA realised that TFA could again become an issue with the developing countries, if they started making concessions in agriculture. The issue in agriculture was of stockpiling and challenging stockpiles of developing states. Members at the WTO agreed that if a developing country maintained a stockpile over 10% of its agricultural produce, then other WTO members could challenge it. But the WTO said that for a certain length of time, the developing countries, in order to provide food security to its population, could maintain excess stockpile (over 10% limit) without any member challenging the decision. The issue was to decide what interval would be allowed for such a limit to remain unchallenged by other member states. India wanted unlimited and indefinite timeframe while the USA favoured a two-year 'peace clause'. After intense negotiations, the Ministerial Decision on Public Stockholding for Food Security Purposes that a four-year peace clause will be followed and the TFA has to be concluded and implemented agreed it. However, when the Modi government came into power in 2014, it asserted that it would not accept the agreements related to TFA and public stockholding as they are against the interests of India. India asserted that a new agreement should be worked out where stockholding restraints are removed for developing countries and they be given an indefinite exception. Later, in 2014, during a meeting with Obama, Modi announced his support for the Bali Agreement with a tighter language and the Bali Agreement was then taken to the next step. Many negotiators theorise that India always adopts a hardline policy in trade negotiations as it always suffers a feeling that any blanket trade treaty may put India in a disadvantage. Thus, India has this culture of resorting to either a flat-out refusal or, at times, taking a long time to negotiate. However, India also has to understand and consider the consequences of the costs involved with such an attitude on other member states in the times ahead.

## DEATH OF THE APPELLATE BODY AND COLLAPSE OF WTO

WTO has a dispute settlement body. It is also known as the crown jewel of the WTO. It allows member states to seek action against others in case of violation of rules of WTO. In WTO, the dispute settlement is a process that begins by allowing the domestic parties to engage and resolve the dispute themselves. If such bilateral consultation fails, the complainant can seek the formation of a panel to resolve disputes. The established panel receives submissions from both parties involved and prepares a final report. This report can be challenged in the Appellate Body (AB) of the WTO. The AB hears appeals and makes a final decision, which is binding on the parties. The AB has a strength of seven judges. In 2019, two American judges retired and the then president blocked new appointments to the AB asserting that the AB had often overstepped their jurisdiction. This has brought the entire WTO on the verge of collapse. If the AB and WTO collapse, it would hurt India as all the 30 disputes India has pending in the AB (ranging from the US steel and aluminum tariffs to H1-B visa issues) would be in a limbo.

## INDIA AND ITS DIPLOMACY AT THE WORLD BANK AND IMF

The World Bank was formed in 1944. It was then called the International Bank for Reconstruction and Development (IBRD). The idea initially was to support economies devastated by the World War II with economic aid. It began to shift to reconstruction from development. In 1956, the International Finance Corporation (IFC) was formed and it began lending to private firms of developing states. In 1960, when the International Development Association (IDA) was formed, it began



to focus upon poverty eradication amongst the poorest countries in the world. In a bid to connect the need of developing states with the financial resources of the world, the International Centre for Settlement of Industrial Disputes (ICSID) and Multilateral Investment Guarantee Agency (MIGA) were launched. India is a member of World Bank, IBRD, IFC, IDA, ICSID and MIGA. The World Bank has been assisting the Indian government through the Country Partnership Strategy (2013–2017) with a vision of faster and more inclusive growth. The focus is on reducing poverty in the special category states by supporting projecting of state governments with priority for integration, transformation and inclusion. India is one of the largest recipients of loans from the World Bank with projects ranging from Prime Minister Gram Sadak Yojana to social sector initiatives to dedicated freight corridor funded by the bank. In the recent times, the NITI Aayog has been undertaking monitoring and evaluation of the World Bank projects in India. In 1944, at the Bretton Woods Conference, along with the IBRD, the International Monetary Fund (IMF) was established. India has been a founding member of the IMF and since 1993, has never taken any financial assistance from the IMF till date. By 2000, India had repaid all the loans from the IMF. The IMF works on the concept of quotas. The Executive Board decides the quotas of states based upon inner tariff barriers and GDP. The voting rights are automatically higher if a state has a higher quota. After the USA sub-prime crises, a process of quota reform was spearheaded by the developing countries. However, we need to remember that for any IMF reform, nations collectively with 70% quotas have to vote in favour of the reform. In December 2015, after approval from the US Congress, the quota reforms were executed. India's quota share has increased from 2.3% to 2.6% now and this pushes India into the top 10 members of the IMF.

## INDIA, WORLD HEALTH ORGANISATION AND COVID-19

The COVID-19 pandemic has brought to for the misuse of biology at the centre stage of global politics and along with the Chinese, the World Health Organisation (WHO) is today at crosshairs. The world has criticised WHO under the International Health Regulations, (an international agreement adopted by the WHO in 2005 on infectious diseases and other disease) which empower the body to take actions that can challenge how governments exercise sovereignty by collecting information from the NGOs, verifying the information from the governments and sharing the same with other states, something which WHO did not do at the right time of the outbreak of COVID-19 (leading the US to label the WHO Director General (DG), Tedros Adhanom Ghebreyesus, a former foreign and health minister of Ethiopia, as “puppet of China”). There have been various calls for the organisation to reform and bind Chinese, the global challenger of the world order. Such a reform will be good for the humanity and for the organisation itself. In the G-20 video call by the Indian PM in 2020, India reiterated the commitment to seek reform of the global body. In 2020, India also became the chair of WHO Executive Body (EB) for three years period at the 147th session of the World Health Assembly. Though, the EB only meets twice a year and has no significant role than electing the DG of WHO, it is now the time for India at EB to initiate a process of systemic reform of WHO and rewrite the global health architecture. India has prepared a draft of WHO reform. In an interaction with Dr. Manjeev Singh Puri, IFS (India's Deputy Permanent Representative to the UN), the Indian diplomat told the author of this book that India should focus on four core points. First is the reform in the governing structure of the body from its current intergovernmental format. The EB has 34 members, who are elected on the basis of geographical representation. India intends to urge the WHO to replace this with creating Standing Council of World Health Council, which shall only consist of government representatives. India asserts that the council should have only 20 members, balancing regional representations and states with greatest healthcare capacities, including states from the developing world. These 20 members should be provided with executive oversight and powers to ensure action at the WHO. Second, India should push for a legislative action. This means that there should be a legally binding mechanism with WHO to notify a virus or pandemic outbreak at the earliest. Such legislation should be beyond the existing International Health Regulations and the world can negotiate a Convention for the same. Third, in the global compact, there needs to be mechanisms established within the Biological and Toxic Weapons Convention to ensure legal and binding bio-surveillance, verification and compliance in case a possibility of misuse of biology occurs. Fourth, looking at the World Bank's Consultative Group on International Agriculture Research (CGIAR) and its yeoman service in food security, it is important for the WHO to come together and establish research on virus to facilitate vaccine development. It is imperative for the India to establish good diplomacy with the world and seek reform of the body. It is time that India plays a global leadership role in getting the world rid of “de-politicising the health agenda” idea. India must also lead a global ban on trade and consumption of wild animals, with sole exception of species needed for scientific research.





# 2

## CHAPTER

# India's Diplomacy in Global International Organisations

## INDIA AND ITS DIPLOMACY AT THE INTERNATIONAL CRIMINAL COURT

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The idea to have an International Court to judge political leaders accused of international crimes was proposed for the first time in 1919, at the Paris Peace Conference by the Commission of Responsibilities after the World War I. However, no such court could be established at that time. Similar proposals were made even after World War II, as well as in the early 1990s, during the Cold War. However, the following three events gave a strong push for the idea again in the late 1980s and 1990s. Firstly, in 1989, the then Prime Minister of Trinidad and Tobago A. N. R. Robinson proposed the creation of an International Court to deal with issues related to drug trafficking. After the proposal of Robinson, an International Law Commission (ILC) was tasked by the UNGA to draft a statute to establish a permanent court. Secondly, atrocities in Yugoslavian wars by the armed forces of Yugoslavia led to the formation of an International Criminal Tribunal for trying cases related to the former Yugoslavia in 1993. Thirdly, following the genocide in Rwanda, an International Criminal Tribunal for Rwanda was established in 1994. When these tribunals for Rwanda and Yugoslavia were established, there was a need felt to have a permanent International Criminal Court (ICC). In 1994, a final draft for the establishment of ICC was prepared by the ILC. The ILC urged the UNGA to convene a conference and negotiate a treaty to establish a statute for the court. The negotiations began to draft the statute and continued till 1998. The UNGA organised a conference in Rome to finalise the treaty that would act as a statute for the ICC. Subsequently, the Rome Statute of the ICC, or simply, the Rome Statute as it was commonly called, was adopted and the ICC was formally established, after ratifications by member states, on 1st July 2002. The headquarters of the ICC is in the Hague, the Netherlands. The ICC prosecutes leaders responsible for genocide, war crimes and crimes against humanity and is the court of last resort, which intervenes only if a national authority, could not prosecute the ones responsible for the crimes stated above. Till date, India has neither signed nor ratified the Rome Statute and is not a party to the ICC. India has raised a lot of objections to the Rome Statute. India feels that under the Rome Statute, the ICC has been subordinated to the UNSC and such subordination would result in political interference by the UNSC in the decisions of the ICC. India asserts that as per the Rome Statute, the ICC can bind the non-state parties that approach the ICC to the report to the UNSC. This, India feels is a violation of the Vienna convention, because under the Vienna convention if a state has not accepted a treaty, it cannot be made to forcibly accede to it (veritably the same point of objection that India has in case of the CTBT). India feels that the Rome Statute has given extraordinary powers, in this regard, to the UNSC. Moreover, India takes issue with the fact that the Rome Statute has refused to accept terrorism and use of nuclear weapons as crimes under ICC, as proposed by India. India has also raised objections to the definition of "war crimes" under Article 8 of the Rome Statute as it has included in its ambit "armed conflict not of an international character". India feels this provision could be used against India by other states by making a case for Kashmir where India asserts it is tackling state-sponsored terrorism by Pakistan. India, thus, has not signed or ratified the ICC and remains an observer to the ICC.

## INDIA AND ITS DIPLOMACY AT THE INTERNATIONAL COURT OF JUSTICE

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The origin of the International Court of Justice (ICJ) can be traced back to the Permanent Court of International Justice (PCIJ). During the World War II, the PCIJ began to lose its relevance and was later succeeded by the ICJ. The UN Charter



in San Francisco established the ICJ in 1945. The ICJ is in Hague, the Netherlands, and it has 15 Judges belonging to different nationalities. The ICJ helps in settling disputes between two conflicting states on the basis of international law. It also looks into legal matters referred to it and gives advisory opinions. The ICJ can only be approached by member states of the UN as private individuals and entities are not permitted to take up the matters at the level of ICJ. When a state may take up a matter at the ICJ, it can take up a case of an individual person with respect to another state in concern. It is on the basis of this point that India in 2017 took up the matter of Kulbhushan Jadhav (an Indian national, in the custody of Pakistan, arrested by Pakistan on 3rd March 2016 in Mashkel area of Balochistan on spying charges). Pakistan had arrested Jadhav in their territory and asserted that Jadhav was sent by India's external intelligence agency (RAW) to create destruction of the China–Pakistan Economic Corridor. Jadhav was arrested on the charges of espionage and terrorism. India and Pakistan both are signatories to the Optional Protocol of the Vienna Convention on Consular Relations (VCCR), Vienna, 1963. India has sought consular access to Jadhav many times while Pakistan has rejected the same every time. Jadhav was further tried in a military court in Pakistan and in April 2017 was awarded death sentence. India subsequently took up the matter to the ICJ. The ICJ has the jurisdiction to hear disputes if an aggrieved party asserts that there has been a different interpretation on the VCCR by the other party involved in the dispute. In May 2017, India requested ICJ to apply provisional measures to ensure Pakistan not to execute Jadhav. Under the provisional measures, ICJ under Article 41 of the statute can issue injunctive directions. Article 74 of the ICJ has given powers to the President of the ICJ to issue ad-interim directions when matters related to provisional measures are brought up. Under Article 74(4) of the ICJ Statute, the ICJ President issued orders to Pakistan to ensure that it does not execute Jadhav for the time being. India had put up to the ICJ that if Pakistan executes Jadhav, there would be irreparable damage caused to the rights which are claimed by India. The ICJ while ordering ad-interim relief to India in May 2017 asserted that Pakistan by denying consular access to India has violated the human rights of Jadhav despite it being a signatory of the VCCR.

## INDIA AND ITS DIPLOMACY AT THE G-7 AND IDEATING THE G-11

In the 1970s, the Western world received an oil shock. Because of the 1973 oil crisis, the non-communist states witnessed inflation in their economies. In 1975, the industrialised and capitalist countries came together and decided to address ongoing concerns in their economies. In 1975, the USA, the UK, France, West Germany, Italy and Japan established a group of six countries (the G-6) to address concerns related to economy. In 1976, Canada joined the G-6, making it the G-7. In 1998, Russia too joined the G-7, transforming it into the G-8. We should note that the European Union (EU) is also a non-enumerated member to the G-8. Officially, to join G-8, there is no formal membership criterion. A cursory look at the member's profile suggests that the members are advanced industrialised economies. G-8 is neither an institution nor does it have any secretariat. However, it does hold annual summits. One of the most important values of G-8 countries is that they are believers in democracy. In this regard, Russia was an exception. In 2014, when Russia made advances on Ukraine, the G-8 countries decided to suspend Russia from the group, as its actions were not perceived in line with the democratic values propounded by G-8. In the 43rd G-7 summit in 2017 (in Taormina, Sicily, Italy), the Tunisian president Beji Caid Essebsi was a guest invitee. Neither India nor China has been a part of the G-8. There is a growing perception that the G-8 (G-7 as of now) is anachronistic as it lacks participation of states such as India and China, along with Brazil, South Korea and Mexico and so on, that have long surpassed the GDP of the G-7. Some scholars observe that absence of these countries of the developing world was an impetus to formation of BRICS as a platform. India asserts that being the largest democracy in the world, it has a rightful claim to be a part of the G-8.

During outbreak of COVID-19, there have been calls for restructuring the world order. In this backdrop, the US President made a far-sighted and a creative proposal in 2020 of enlarging the G-7 to G-11 as the current G-7 is outdated. President Trump proposed addition of India, South Korea, Russia and Australia in the new grouping. On predictable lines, Beijing immediately denounced the proposal by branding it “an idea doomed to fail”. Once established in September 2020, the G-11 would rightly recognise the place of India amongst the world's rich nations. This would be nothing sort of an acknowledgement of India's global voice. India's adherence to the international law, its respect for human rights and Indian policy of multilateralism in trade and security are its strong credentials. It is high time the world accepts the reality of a changed India and gives India the right place it deserves in the comity of nations. The US President has also renewed a proposal of establishing Five Eyes along with G-11. The Five Eyes is a frequently used terminology in the intelligence community of the world and includes an Intelligence Alliance of the US, the UK, Australia, New Zealand and Canada, to decide on a strategy to manage China.

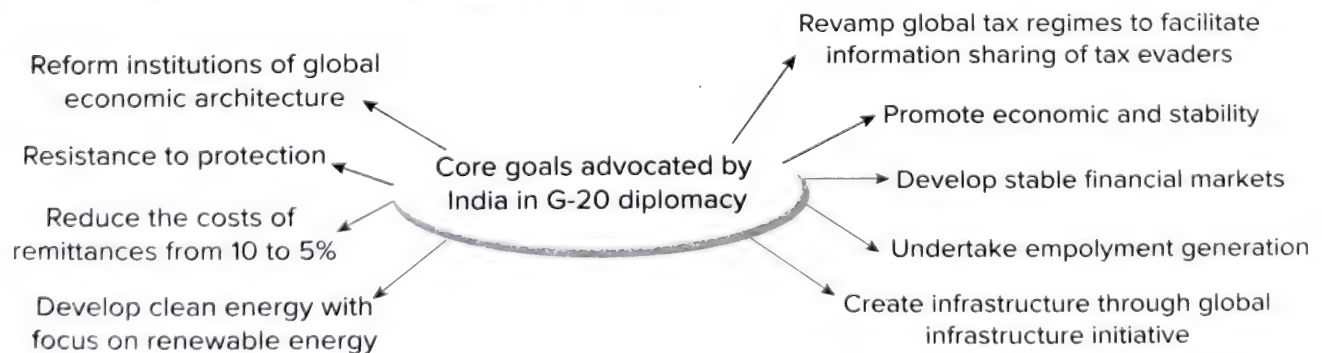


## INDIA AND ITS DIPLOMACY AT THE G-77

When the first session of the United Nations Conference on Trade and Development (UNCTAD) ended in Geneva, in 1967, seventy-seven countries came together to establish an intergovernmental organisation called the G-77 in the UN to use it as a platform to collectively promote the economic interests of the Global South. The idea was also to use the platform to promote South-South cooperation. India has been one of the founding members of the G-77. India has been playing a leadership role in advancing the interests of the developing world through the G-77 at the UN. In the recent times, the G-77 has played an important role in climate change negotiations. India, China and G-77 have forcefully demanded that developed countries should provide adequate finances to the developing countries to tackle climate change. India has been negotiating at the climate change level with G-77, the Like-Minded Developing Countries (LMDC) and the BASIC group of countries (Brazil, South Africa, India and China). The G-77 and India have achieved some impressive feats globally. They have been able to assert that each individual sovereign state has sovereign control over its resources. They have also successfully asserted that the global wealth distribution should be equal. India has asserted under the G-77 umbrella that wealth should be reallocated on the principles of equality and equity. This has been India's core policy point even in the climate change negotiations. India has also asserted that all states, and more importantly, all developing countries need to have equal participation in global economic affairs. These points, stressed by India through G-77, also form a part of the basis of the G-20. However, the G-77, being a loosely knit organisation with no permanent research institution for propaganda, has a weak international response. In the climate change talks, many of the G-77 players have been found having differing positions and thereby G-77 has not been able to emerge as a united front.

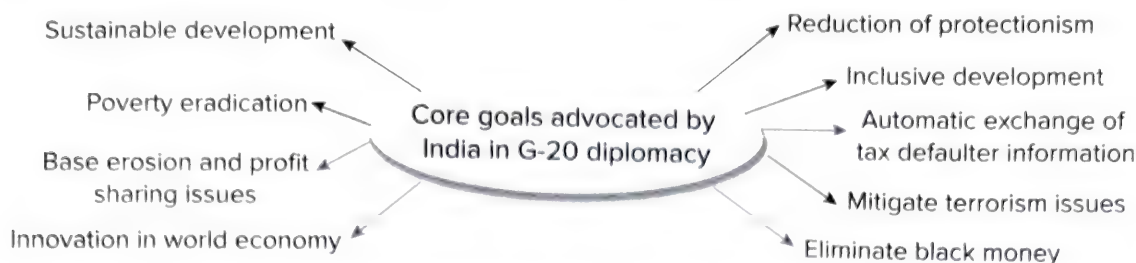
## INDIA AND ITS DIPLOMACY AT THE G-20

In 1999, with a focus on global economic governance the governors of the central banks of 20 states came together to promote international financial stability and established the G-20. The G-20 was basically formed as a group of 20 emerging market economies and developed countries to promote discussion on policy issues pertaining to the global economic governance. The G-20 held its first summit in 1999 in Berlin. The major difference between G-20 and G-8 is that G-8 only focussed on developed countries while G-20 has a broader participation with emerging market economies of the group. The chairmanship of G-20 is rotational, with one nation annually getting the chair. India has been a member of this powerful economic club. In 2019, India held the chair of G-20. The G-20 has no formal voting criteria. In the past G-20 summits in 2014, 2015, 2016, and 2017, India had advised that the global economic surplus wealth would be deployed for development of infrastructure. India, in the summit of G-20 in Hamburg in Germany in 2017, had also proposed that surplus wealth would be used to develop efficient energy technologies. In the 2017 summit, the G-20 nations congratulated India for taking steps to make it easy to do business in India. In this summit, India forcefully argued on issues related to terrorism. India asserted that states supporting terrorism should not be allowed to be a part of G-20 and sought early conclusion of the UN Convention on International Terrorism.



In 2017 Germany G-20 summits, India offered strong resistance to protectionist measures adopted by the states. India has pitched for free movement of labour and capital amongst the states to bolster up the global economy. India has further pitched for stronger action at the level of tackling black money and terrorism. A new element in India's diplomacy at G-20 has been to pitch for poverty eradication.

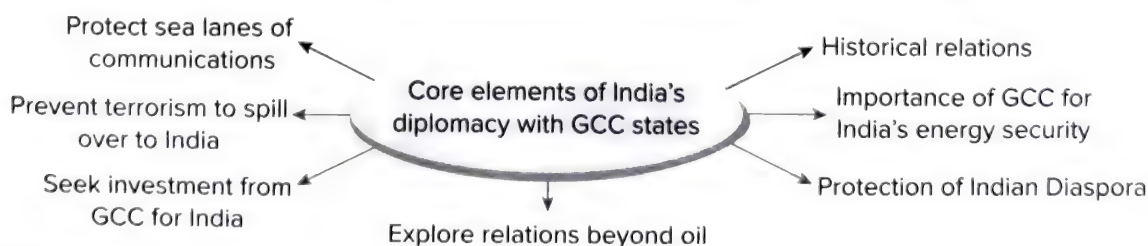




The G-20 is an excellent forum for interaction between developed and emerging market economies, but India has, over time, raised some concerns about the organisation. India believes that, in the era of global economic slowdown, if nations resort to quantitative easing due to injection of cash, in the advanced economies, the capital flows become volatile and the developing countries, in cases such as these, should be given a right to resort to capital control measures. India has also pointed out that although G-20 has spearheaded a discussion on reforms of global financial architecture, the progress has been slow. India has stated that having the US dollar as a reserve global currency has exposed the vulnerabilities of a systemic risk during crises. Thus, India asserts that a possible solution here for the G-20 could be to explore widening of the SDR basket and add more currencies.

## INDIA AND ITS DIPLOMACY AT THE GULF COOPERATION COUNCIL

In 1981, Saudi Arabia, Oman, the UAE, Kuwait, Bahrain and Qatar came together to establish an intergovernmental regional politico-economic block known as the Gulf Cooperation Council (GCC). The GCC emerged as an alliance of six Gulf states to promote economic interaction. Western scholars believe that GCC is based on a foundation of a common security concern but the scholars of the GCC nations insist that it is a platform for economic, cultural, political and scientific integration. There was a proposal in 2011 to establish a Gulf Union and transform the GCC into a tight economic and military union. The proposal has met with certain objections from some member states. The GCC has also been negotiating a common currency named Khaleeji, but the progress on the same has been slow. India's relations with GCC have been on since 1947. Initially, as mentioned in the chapter of 'India–West Asia Policy—Key Drivers,' India politically supported GCC and other states in the region during the Cold War. By the end of the Cold War, as India's dependence upon energy from the Gulf increased, India began to hold the GCC as crucial for its energy security. In earlier chapters, we have mentioned that India decided to sign oil-based partnerships with Saudi Arabia, the UAE and Qatar. India realised that it can leverage its historically good political relationship with the GCC to develop energy security partnerships. As India's oil trade increased in the post-Cold War times, a lot of Indians began to work in the Gulf states as professionals. The post-Cold War times have witnessed a shift from the blue collar to the white collar Indian presence in the GCC states. In the recent times, India has realised that as the trade with the region enhances, it not only needs to protect the sea-lanes of communications but also ensure safety of its diaspora in the GCC. India, due to these two reasons, has started observing the region through a strategic lens. This is also visible from the recent high-level bilateral visits. India has not only decided to establish a strategic petroleum reserve with the UAE but also has added defence relationships as a new element in its interaction with the GCC. The GCC states have cooperated with India in the region as they feel that India's engagement with GCC at economic, political, security and strategic level will enhance India's global profile. A declining US presence in the region also provides India the space required to boost its economic and strategic footprint in the GCC.



In the recent times, the perception of Gulf states about India has changed. The GCC no longer looks at India merely as a supplier of cheap goods and labour but a stable democracy and a vibrant regional economy with highly skilled manpower.



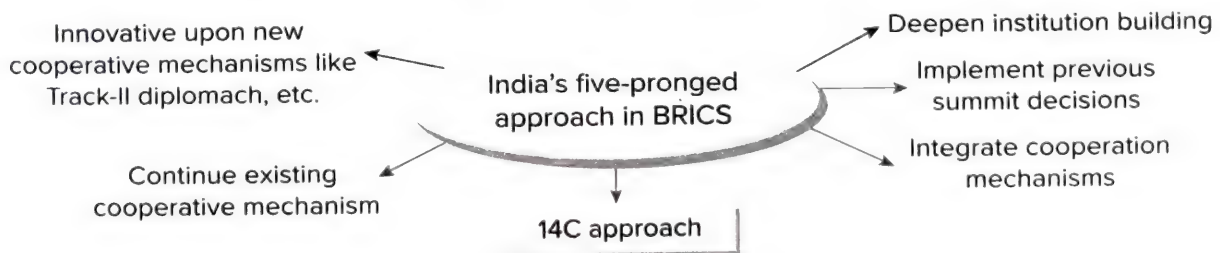
This change in perception of the GCC has contributed to their realising the need to build up strategic partnerships with India. As the GCC states have begun to look East, it has found sync with India's attempt to link West. The GCC, however, has been insecure about India's developing proximity with Iran and Israel. Pakistan, too, plays the Islamic card to assert to the GCC that India is an anti-Muslim state and therefore remains an irritant in the deepening India–GCC ties. Despite these issues, India has successfully decided to enhance strategic and defence partnerships with the GCC. Today, India has added dimensions beyond oil in its outreach to the region. India has committed support to GCC in dimensions such as food security, IT, pharmacy and consultancy services.

## INDIA AND ITS DIPLOMACY AT THE BRICS<sup>1</sup>

In 2001, an economist with Goldman Sachs undertook an econometric analysis and asserted that by 2050, the economies of Brazil, Russia, India and China would constitute the largest economies of the world. In 2006, on the margins of the G-8 Outreach summit at St. Petersburg in Russia, the BRIC leaders (all countries except South Africa) held a meeting and formalised the BRIC group. In 2009, the first BRIC summit was organised in Yekaterinburg, Russia. In 2010, it was decided that South Africa would be added to the group. In 2011, in the 3rd summit in Sanya in China, South Africa participated and the organisation formally became BRICS from BRIC. Initially, the idea of BRICS was to use it as a platform to engage upon economic issues but over a period of time, BRICS summits have started discussing issues ranging from trade, health, technology, agriculture and so on. In 2016, India chaired the eighth BRICS summit and the meeting was held in Goa. In the very first BRICS summit, there was a severe criticism of Bretton Woods's institutions over their failure to reform their structures and processes and give a voice to emerging market states. India asserted that the existing global financial architecture is dominated by the West and does not give adequate voice to the emerging market economies. In the sixth BRICS summit in Fortaleza, Brazil, in 2014 through the Fortaleza Declaration, the BRICS members decided to establish the BRICS Bank or the New Development Bank (NDB). The NDB became operational from 2016, with its headquarters in Shanghai, China. The NDB shall provide loans to states to manage balance of payment crises and for projects related to infrastructure and sustainable development.



K. V. Kamath is the first President of the BRICS Bank or the NDB. What makes the NDB different from the World Bank and IMF is the fact that here, infrastructure has been identified as a priority sector by the BRICS. The NDB has prioritised areas such as education, healthcare and women rights, which are issues that all BRICS members face today. In 2016, the NDB had issued 3 billion Yuan bonds in China to finance projects related to clean energy. In 2017, NDB had decided to issue Masala bonds worth 300–500 million dollars for projects related to rural drinking water and infrastructure (rupee denominated bonds that are issued outside India are called Masala bonds). In 2017, the BRICS members also decided to launch their own credit rating agency in future. India held the chair for the eighth BRICS summit in Goa. The theme was building responsive, inclusive and collective solutions. The BRICS–BIMSTEC Outreach summit was held in Goa in 2016.



During the eighth BRICS summit, India also signed MoUs with Brazil on agriculture, pharmacy, investment cooperation, and facilitation treaty and assisted reproductive technologies. At the end of the summit, a Goa Declaration was adopted. The declaration reaffirmed a number of state commitments to tackle terrorism, advocate the UN reforms, facilitate

<sup>1</sup> Brazil, Russia, India, China and South Africa.



economic and investment partnerships and use policy tools to achieve inclusive growth. The ninth BRICS summit was held in China in 2017.

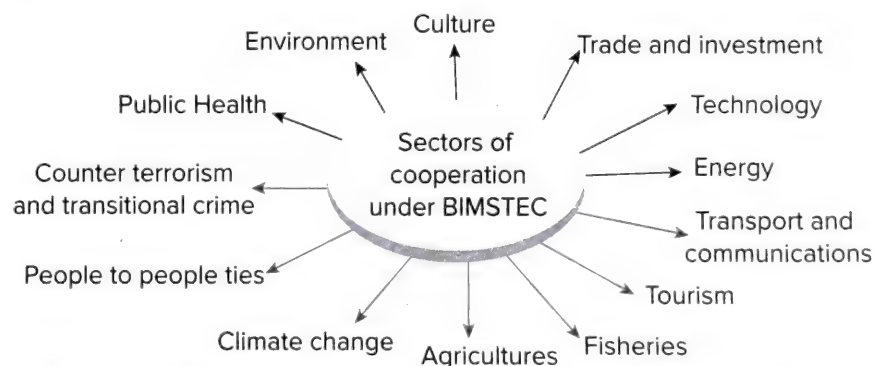
## COVID-19 AND BRICS DRIVEN PHARMACY ALLIANCE

Despite the strong global criticism that Chinese have faced for COVID-19, it is interesting to see that the Chinese leveraged their position as the workshop of the world and announced their Health Silk Road Doctrine. Under this doctrine, the Chinese provided the two global hotspots, Italy and Iran, with the needed medical aid and PPE Kits. For that matter, India, as a BRICS member, was able to position itself rightly as world pharmacy player, by exporting Hydroxychloroquine to a dozen of countries. In fact, Russia too sent medical supplies and experts to the two global hotspots. In the African continent, another BRICS member, South Africa, also holding the chair of the African Union for 2020, has effectively worked to frame a Pan-Africa response. All the BRICS members have demonstrated their capacities of being providers of Humanitarian Assistance and Disaster Relief (HADR). This has aptly positioned them as global COVID warriors. The NDB of BRICS also allocated 1 billion dollar emergency loans and has positioned the NDB as a new template for addressing natural disasters. All these are templates for the BRICS nations to sit down and design a pharmacy alliance for the future.

## INDIA AND ITS DIPLOMACY AT THE BIMSTEC<sup>2</sup> AND COMPARATIVE ANALYSIS WITH SAARC (SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION)

In June 1997, a meeting was organised in Bangkok and Bangladesh, India, Sri Lanka and Thailand decided to come together to establish an economic cooperation under the banner of BIST-EC. In December 1997, Myanmar joined the economic cooperation and the group now called BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation). In 2004, after Nepal and Bhutan were admitted to BIMST-EC, the name of the organisation was changed into BIMSTEC (Bay of Bengal initiative for Multi-Sectoral Technical and Economic Cooperation). The first BIMSTEC summit was held in 2004, in Bangkok. The permanent secretariat of BIMSTEC is in Dhaka and 32% of the cost of construction has been borne by India.

Since 2004, the member states have been negotiating an FTA. India has been pushing for an early conclusion of the FTA as it will facilitate trade in goods and services. Despite a framework agreement for the FTA in place since 2004, the FTA has not become operational as issues persist on agendas such as negative list, rules of origin, custom agreement and dispute settlement mechanism. Scholars assert



that if India and Thailand can take some FDI to other BIMSTEC members, the investments can act as a push for the FTA. India, under its Act East Policy, has prioritised infrastructure development and if India succeeds in developing infrastructure in the north-east states, it can act as a springboard for deeper integration and connectivity with BIMSTEC. India has realised that BIMSTEC will be a bridge between South Asia and South East Asia. Today, India has initiated steps to boost connectivity and investments to promote regional cooperation through BIMSTEC. In April 2017, the Indian government had approved the MoU with BIMSTEC to establish an interconnected BIMSTEC grid. The creation of the grid would facilitate power exchanges across borders by member states and would help in development of regional networks for electricity supply. In the recent times, India has decided to shift away from Pakistan, which has emerged as an irritant in regional cooperation at the level of SAARC, to deepen ties with BIMSTEC. Why has India invested diplomatic capital in BIMSTEC? There are two reasons.

1. **SAARC and Pakistan factor:** The SAARC has almost become defunct because of non-cooperative behaviour of Pakistan. This has limited the role for India in regional governance. This is why India has adopted the strategy of

<sup>2</sup> Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation.



South Asia minus one (that is, keeping Pakistan aside and going forward with regional connectivity and governance). The failure of SAARC offers India an opportunity to revive BIMSTEC as a counter strategy. BIMSTEC has been rightly touted as an Indian rebound to pursue regional ambition in case of failure of SAARC. However, SAARC is a regional organisation of South Asia only while BIMSTEC is an inter-regional grouping that brings South Asia and ASEAN together.

2. **Drag prevention:** There is a growing realisation in India that unless the neighbourhood does not prosper economically, it will act as a drag for India's own economic growth. This has motivated India to link the neighbourhood to ASEAN.

In 2019, BIMSTEC celebrated its 21st anniversary. The significance of India for BIMSTEC is very high as it fits well in the strategic calculus of its 'Neighbourhood First' policy and 'Act East Policy'. It is an area of opportunity for India as BIMSTEC is the least integrated region in the world. In the recent times, India has taken a lead in the revival of BIMSTEC. In 2016, the BIMSTEC-BRICS Outreach summit in Goa created the foundation. The private sector and FICCI have been roped in to evolve a working strategy for BIMSTEC states. A renewed BIMSTEC is an opportunity for India to integrate the Northeast region and propel regional growth. The FICCI in 2018 prepared a document titled 'Reinvigorating BIMSTEC: An Industry Vision for the Next Decade' at the 4th BIMSTEC summit, Kathmandu, Nepal. The document has made certain suggestions. Firstly, to boost greater economic integration, the document has asserted that there needs to be timely availability of information and improvement in the regional multimodal connectivity. Secondly, to boost collective capabilities, the document suggested that member states can establish regional value chains that can be integrated into the global value chains. This will augment the MSME sector and thereby generating employment. Interestingly, the document highlighted that women can also play an important role in the supply chains through an innovative business strategy. This will help in establishment of the Brand BIMSTEC in the long run. Till now BIMSTEC has functioned on the basis of Bangkok Declaration 1997. In the 4th summit in 2018, it was decided to evolve a Charter for BIMSTEC. A decision was taken to establish a Permanent Working Committee which would provide directions between summits and establish rules of procedure. The summit has decided to enhance additional financial resources to facilitate groupings activities. The member states have decided to establish a BIMSTEC fund. The member states have decided to enhance the international outreach of BIMSTEC. This will be done through increasing its visibility on the international scene. In the summit, Thailand has proposed that the member states identify five core pillars to strengthen multilateral cooperation in them. They include connectivity, trade and investment, people-to-people ties, security and science and technology. India asserted to additionally focus on blue economy and counterterrorism. In Kathmandu, the states also signed an MoU on grid connectivity. An announcement was made for early conclusion of the FTA (something being debated since 2004) and establishes a Free Trade Zone by 2021. There are certain policy dilemmas for India to revive BIMSTEC. These challenges are both from within and outside the region.

1. Firstly, India's commitment to institution building. As of now, India stands to be the second biggest contributor (2 crores) for the BIMSTEC secretariat. If the outreach of BIMSTEC needs to expand, then it needs to enlarge its secretariat and incorporate officials from different states. This will require more budgetary contribution from India.
2. Secondly, there are growing fears of possible India domination in BIMSTEC. This is natural owing to India's rising economic profile. This was also a problem India faced in SAARC. It has to take concrete steps to mitigate these fears by being more sensitive to the concerns of the smaller states. The smaller states around India are keen to engage with India and seek benefits from the meteoric economic rise of India.
3. Thirdly, the strategic challenge in BIMSTEC is of China. China was brought in as an observer state in SAARC by member countries. This was done to balance fears of Indian domination. Today, India's neighbours are deeply embedded with Chinese infrastructure projects. Thus, India has to tread a careful path in the regional geopolitics emerging here.
4. Future areas of cooperation include conclusion of the FTA, Motor Vehicles Agreement and Energy Centre and a Coastal Shipping Agreement. The BIMSTEC also needs to ensure that the summits are held regularly.
5. The BIMSTEC is a catalyst for a peaceful and economically prosperous neighbourhood along with offering India an opportunity to counter China through its own unique infrastructure and connectivity model. For Bangladesh, BIMSTEC is a platform to position itself as a regional player in Bay of Bengal. Nepal and Bhutan find BIMSTEC as a platform for reaching out to the Indo-Pacific. Sri Lanka has used BIMSTEC to connect to South East Asia.



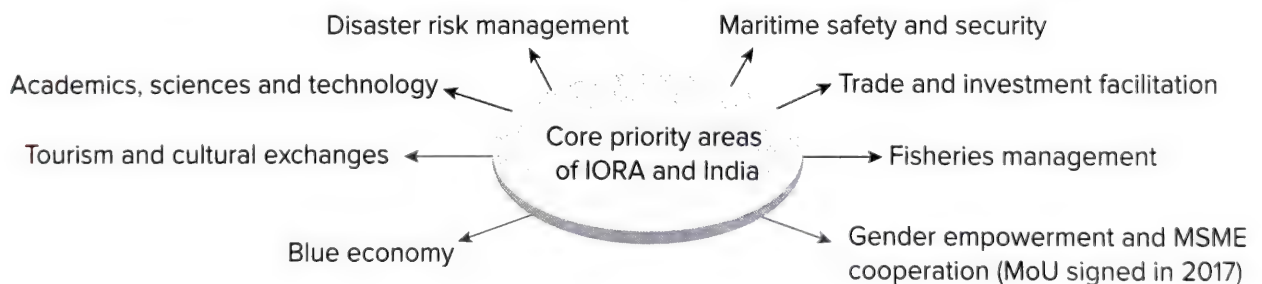
For Thailand and Myanmar, the BIMSTEC offers a platform for accessing the rising consumer markets. India perceives BIMSTEC an apt platform to bring the ecological landmass of Great Himalayas close to Bay of Bengal and the larger Indo-Pacific. Till the 20th century, BIMSTEC states were connected through sub-regional waterways and seaports. The present attempts by the member states seem to rediscover the lost past.

## INDIA AND ITS DIPLOMACY AT THE BCIM CORRIDOR

In the 1990s, Bangladeshi economist, Professor Rehman Sobhan, proposed an economic corridor between India, China via Myanmar and Bangladesh. According to Sobhan, such a corridor would enhance trade and growth and contribute to reduction of poverty in the region. Sobhan's idea saw material action in the Kunming Initiative, which evolved into a regional forum for BCIM (Bangladesh, China, India and Myanmar) states. In 2013, in a meeting between the then Prime Minister Manmohan Singh and Li Keqiang, the BCIM economic corridor (BCIM-EC) finally gained momentum. The entire BCIM zone was perceived as a sub-region where connectivity between South Asia, South East Asia and China was envisaged. As the sub-region has high resources but poor connectivity, the corridor will promote economic integration. Though the Modi government has shown enormous interest in the corridor, some challenges exist. There is no clarity whether the BCIM-EC should purely be economical in nature or widen to include cultural- and people-centric activities. People in India's Northeast and Myanmar have raised concerns about the environmental impact of the BCIM-EC. More so, there is a dilemma of whether BCIM-EC is promoted as a regional and geopolitical initiative or whether local communities along the borders should be used as stakeholders for benefit sharing under a sub-regional arrangement. How BCIM-EC works out in tandem with the Chinese Belt and Road initiative will be something to observe in the future.

## INDIA AND ITS DIPLOMACY AT THE INDIAN OCEAN RIM ASSOCIATION (IORA)

The Indian Ocean is one of the most important trading routes of the world. To promote social, economic and political cooperation amongst the states in Indian Ocean region, in 1995, an Indian Ocean Rim Initiative was launched. Subsequently, in 1997, the Indian Ocean Rim Association—Association for Regional Cooperation (IORA–ARC) was formed. Today, the group, with 21 member states (including India) also has seven dialogue partners and is called IORA.



In 2013, India held the chair of IORA where the name of the organisation was changed from the earlier IORA–ARC to the present IORA. India also identified that the need to use the IORA to facilitate maritime safety and security in the Indian Ocean was the most pressing agenda at hand. In the 14th IORA ministerial meeting in Australia in 2014, the idea of blue economy was made a priority agenda for the IORA. The basic concept of blue economy encompasses the use of marine resources in a sustainable manner. It envisages an oceanic environment and sustainability link. In the Jakarta Summit in 2017, an action plan for the next five years and declaration on preventing violent extremism and countering terrorism were adopted. India offered the idea that member states should undertake hydrographic surveys and coordinates activities of maritime domain awareness and should also establish an information fusion centre.

## INDIA AND ITS DIPLOMACY AT THE ASIA-PACIFIC ECONOMIC COOPERATION

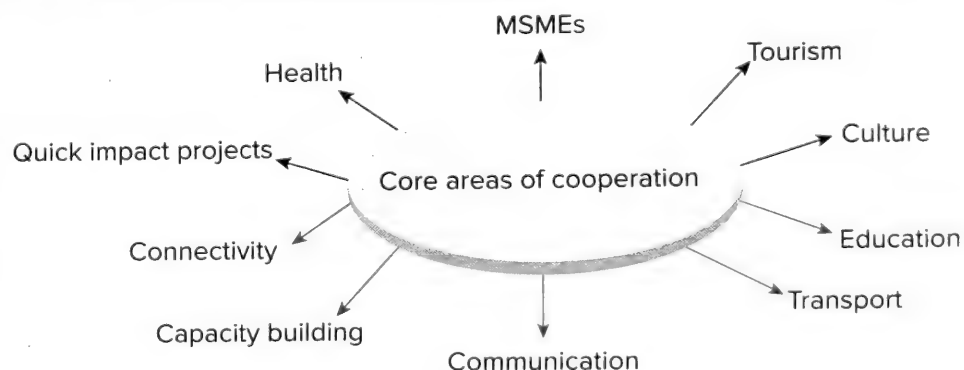
The origin of the Asia-Pacific Economic Cooperation (APEC) can be traced back to the period of economic integration of South East and East Asia. In 1967, the Association of Southeast Asian Nations (ASEAN) was formed. ASEAN states



began to develop deep trade with Europe and in 1979, began trade with China. Economic interaction was the key goal of the ASEAN states. In 1980s and 1990s, the EU was formed. This affected the ASEAN–Europe trade. As the US consolidated the North American Free Trade Agreement (NAFTA), this further dented the ASEAN's trade practices. In 1989, Australia suggested the creation of the APEC as an Asian version of an FTA comprising Northeast Asia, South East Asia and the Pacific Rim states. Similarly, even Malaysia proposed an East Asian Economic Group (EAEG). In 1989, Australian Prime Minister Bob Hawke met his South Korean counterpart and mooted an idea where ministers could meet to enhance regional economic cooperation. In November 1991, a Seoul Declaration was adopted that announced the scope of the APEC. The APEC was to promote trade, technology transfers and promote growth. The first APEC summit was held in 1993 and decided to focus upon liberalisation and economic trade. The APEC has 21 member economies today, and India wants to join this economic community as it wants to undertake trade promotion within the economies of the Asia-Pacific. Initially there was opposition to India's membership to the APEC as some members initially raised objections about India's economic reforms and its engagement with the WTO. In recent times, a lot of members feel that as India has undertaken economic reforms and it should be allowed to be part of the APEC. Many feel that India's maritime strengths and its clout, as a balancer will help the APEC. Currently, India holds the position of an observer state in the APEC. The US too has favoured India's accession to the APEC as a member. If India becomes a member of the APEC, it will be perceived as a serious economic power in Asia-Pacific and this will help in India's negotiations at the bilateral FTA's with states as India has left Regional Comprehensive Economic Partnership (RECP). Apart from improving trade volumes, joining the APEC will facilitate India's domestic growth and lead to job creation. The main reason as to why India is not yet a member of the APEC is geography. Geographically, India is not part of the Pacific region. Some APEC members also have reservations about India's high custom duties and stringent rules for FDI. India is not keen on shedding off protectionist measures prevalent in its domestic economy, which has not gone down well by other member states. Over a period of time, if consensus evolves, India might enter the APEC club.

## INDIA AND ITS DIPLOMACY AT THE MEKONG GANGA COOPERATION

India, in order to enhance relations with states in the Mekong region (for example, Cambodia, Laos, Myanmar, Vietnam and Thailand), had formed the Mekong Ganga Cooperation (MGC) in 2000. Under the Act East Policy, India has decided to integrate India's Northeast with Mekong region.



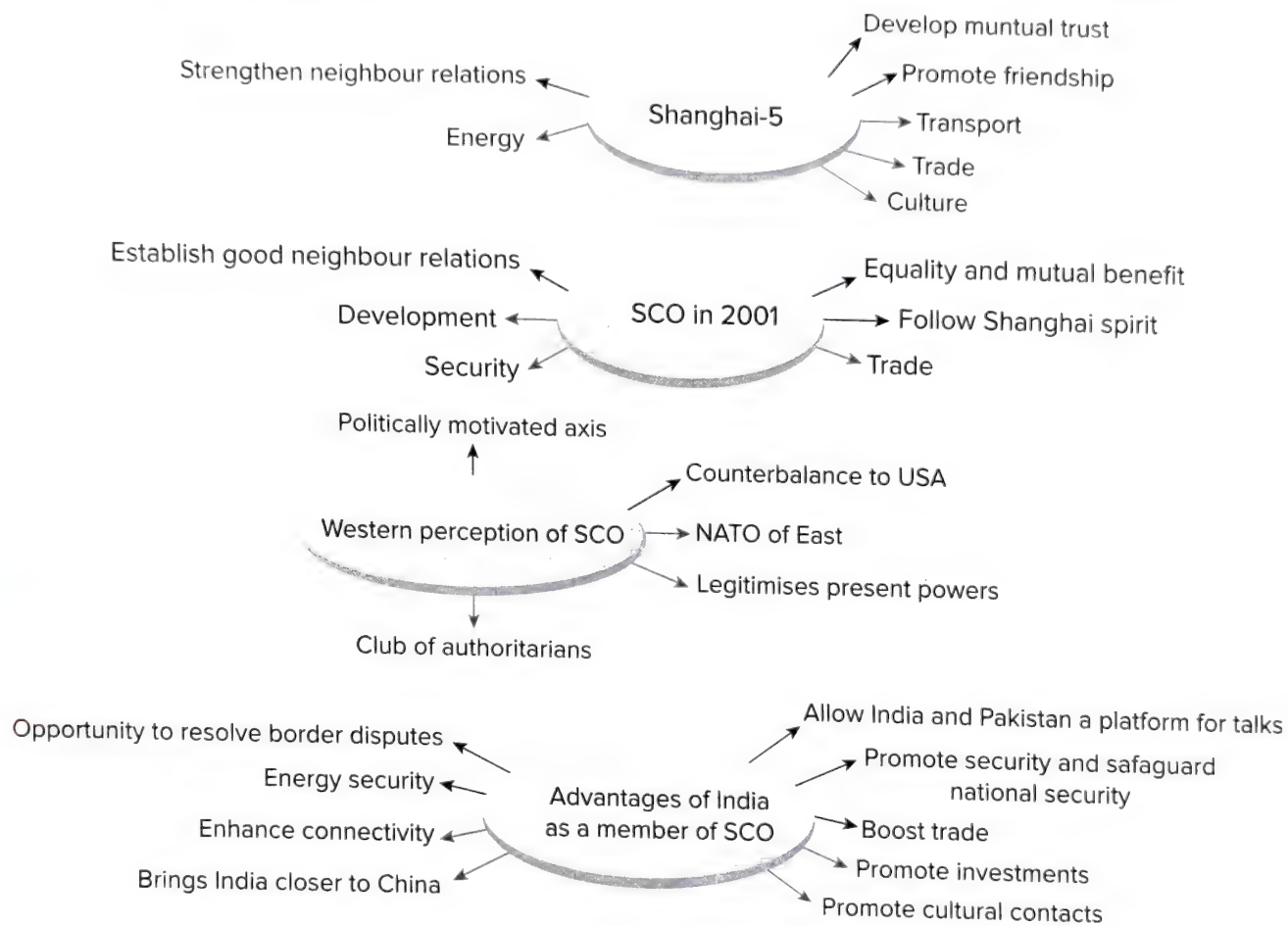
## INDIA AND ITS DIPLOMACY AT THE SHANGHAI COOPERATION ORGANISATION

Henry Kissinger, the renowned US diplomat, in his book 'World Order' rightly stated that creation of the Shanghai Cooperation Organisation (SCO) allows new world powers to shape an alternative vision for global governance based on their themes of "divergent historical experiences and values". He asserted that such kind of architecture will not clash but break the monochromatic Western ideal.

At the end of the Cold War, the five Central Asian Republics broke away from the USSR and became independent. A lot of Uyghur Muslims lived in Central Asia (CA). China thought that the Uyghurs in China may begin to link with Uyghur's of CA and create unrest in Xinjiang province in China. In 1992, China, along with Russia, Kazakhstan, Kyrgyzstan and Tajikistan, began to negotiate a security pact. After 22 rounds of negotiations, a group called the Shanghai-5 was established in 1996. The aim of Shanghai-5 was to undertake confidence-building measures and demilitarise borders. In 1996, a Treaty of Deepening Military Trust in Border Region and an Agreement on Confidence Building in Military Filed in Border Areas were signed. In 1997, a Mutual Reduction of Armed Forces in Border Areas Agreement was concluded.



In 2001, Uzbekistan joined the group and it was renamed as SCO to emphasise its role as a body for regional cooperation. China, through SCO, wishes to fight the three evils of separatism, terrorism and extremism. The SCO decided to establish a Regional Anti-Terrorism Structure in Tashkent. India joined SCO as an observer state in 2005. In the year of 2011, a Memorandum of Obligation of SCO was approved to allow non-member states to join SCO as a member. India applied for membership. Initially, China was reluctant to add India to the SCO, but Russia favoured the induction of India as a regional balancer. In the Ufa summit in 2015, India and Pakistan were admitted as members. India has viewed SCO positively and wanted to use SCO to play a bigger role in CA. India feels that SCO being an Asian body will allow it to connect to CA and enhance its economic and security relationships in CA. India feels that SCO can be used as a regional platform to contribute to peace in Afghanistan. As a member, India can use SCO to augment its Connect Central Asia Policy and enhance connectivity and commerce with CA.



In 2018, India participated in the SCO summit in Qingdao for the first time as a full member of the organisation. There were 22 agreements in total signed by the two. A special agreement was signed on terrorism and de-radicalisation of youth. A three-year plan was adopted for combating terrorism and extremism. An anti-drug strategy was signed from 2018 to 2022. This was a veiled attempt to challenge the internationalisation of the US dollar. Indian Prime Minister evoked the legacy of Buddha and Rumi as a precursor to the ideology of SCO. The SCO also provided India and Pakistan an opportunity to discuss a two-way Pakistan–Central Asia connectivity project. If the project eventually materialises, the improvement of Indo-Pak relations can emerge as a subset of the rise of Eurasia.

## INDIA AND ITS DIPLOMACY AT THE SAARC

Since the times of Jawaharlal Nehru, India favoured a deeper engagement with its neighbours. In 1980s, Zia Ur Rahman, the former Bangladeshi President, came up with an idea of knitting the South Asian (SA) states under a group. Initially, India viewed the proposal cautiously as it thought that such a body would be used by the SA states as an opportunity to



resort to India-bashing. India also thought that if it does not accept the proposal, this move would be perceived by the SA states as an attempt by India to scuttle a mechanism for regional cooperation. In 1985, India, keeping these concerns aside, decided to go ahead and join the SAARC. Thus it was formed in 1985 with India, Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka and Maldives its members. In 2007, Afghanistan joined SAARC as a member. The SAARC wanted to promote economic cooperation amongst members and help each member facilitate economic growth, thereby contributing to the alleviation of poverty. Each member state was to respect the territorial integrity of others and no interference would be tolerated in each other's internal affairs. It was decided by members that SAARC as a forum will not be used by any member to raise any contentious and bilateral issues as such issues had to be resolved on a one-to-one bilateral basis. Since the end of the Cold War, there has been a renewed thrust towards regionalism but SA has not witnessed the same despite the presence of SAARC. Many believe that it has ended up in becoming a 'talk shop'. SAARC has had some achievements—for instance, the states have agreed on a Regional Convention on Suppression of Terrorism, a SAARC Audio-Visual programme in Dhaka and a SAARC Agriculture Information Centre; and the members have also agreed upon a social charter for poverty eradication and development of human resources. In 1993, the South Asia Preferential Trade Agreement was finalised (yet to be operational). The fundamental reason for the weakness of the SAARC as a platform is trust deficit amongst its core members. Unresolved border disputes and trade barriers erected by each member state too have contributed to weakness of the organisation as a whole, as well as its inability to achieve its goals. Scholars assert that a perpetual cold war between India and Pakistan has fuelled mistrust. For Pakistan, Kashmir remains an irritant for SAARC to flourish while India cites terrorism sponsored by Pakistan as a reason for the mistrust. The member states have viewed the borders more as security threats than a conduit for people-centric engagements. As India is one of the largest members of SAARC, other members perceive any initiative by India as an intention on India's part to assert hegemonic ambitions. Such perceptions are further cemented because of different political beliefs in the neighbourhood. There are three structural impediments in SAARC. Firstly, it flows from the SAARC charter. The charter mentions that steps would be taken to promote growth and self-reliance. But the ground reality is that these steps have not been institutionalised. Secondly, SAARC has concluded a lot of agreements and conventions but implementation on ground amongst states have been poor. Thirdly, SAARC bodies also prevent meaningful interactions, as these bodies have not contributed to the removal of suspicion and mistrust. For any form of regional cooperation to succeed, there are three necessary conditions and some sufficient preconditions. Regional cooperation can be successful if states, first of all, renounce violence. This renunciation leads to the birth of a pluralistic, secure community. Then, there should be an agreement that no state will question each other's territorial integrity, as doing so leads to possible conflict. Lastly, if there is a dispute, then it needs to be resolved mutually. The charter of the SAARC has all these three necessary conditions. The charter, as mentioned above, asserts that states will not use force, not interfere in each other's affairs and shall advocate for peaceful resolution of conflicts. However, Pakistan has not commented upon the non-use of force. Pakistan has always asserted that if political differences are not resolved (namely, the Kashmir issue), then there cannot be any meaningful cooperation. For Pakistan, SAARC is just another platform for furthering the cause of Kashmir. Despite the 1972 Simla Agreement between India and Pakistan that the two shall resort to bilateral mechanisms to resolve disputes, Pakistan is often keen on bringing foreign powers into dispute resolution. Geographically, since the ancient times, there is a belief that South Asia consists of a single compact unit and a common geographical space where people, culture and ideas have freely moved. India has always believed that SAARC, as a platform, can be used to gain the erstwhile geographical space and fuse SA yet again into a compact unit. This is the reason why India lays so much emphasis upon connectivity with its neighbours (the recent BBIN-Motor Vehicles Agreement is testimony to this). The rest of the South Asian states, however, perceive it differently. Pakistan feels that the Indus River separated its territory from SA and makes it closer to West Asia. Nepal feels that it has always had a separate existence while Sri Lanka too feels that it has had its own trajectory of historical evolution. India's neighbours find it tough to reinforce the idea of recreating the unity of past, favouring instead a unity of equals. It is for this reason that despite SAARC, Pakistan and Bangladesh are reluctant to allow their territories as routes for transit. India, through SAARC, visualises a homogenisation of the region while the other members see it as hegemonisation and resort to measures leading to dehegemonisation. Because of such differences of perceptions amongst the members of the SAARC, the body has almost been pushed into a morgue. Although many steps were taken by Atal Bihari Vajpayee and Manmohan Singh to revive the SAARC, but the perceived mistrust continued to hamper any meaningful interaction. The coming of the Modi government was seen as positive sign. In his swearing-in ceremony, Modi invited all the SAARC leaders and tried rehabilitating SAARC relationships. Modi launched India's Neighbourhood First Policy in 2014 and SAARC was destined to play a central role



in the same. Modi attended the 18th SAARC summit in Kathmandu, Nepal, in 2014. He asserted that India would take all steps to remove the cynicism and skepticism associated with the SAARC. He proposed that a SAARC Union be formed where there is free flow of trade, people and investments. As things progressed from 2014, the cross-border terrorist strikes on Indian soil from Pakistan in 2016 brought the engagement to a halt. The 19th SAARC summit was scheduled in 2016 in Islamabad. After the attacks at Uri in India, India decided to cancel its participation in the summit. Citing Article X of SAARC charter, Pakistan has postponed the SAARC summit. India has also realised that its conflicts with Pakistan would remain an obstacle to regional integration. India has thus recognised that it needs to adopt a policy of 'SAARC minus one'. It has spearheaded regional integration with like-minded countries. The BBIN Motor Vehicles Pact, India's thrust to re-energise BIMSTEC and a possibility of a future Bay of Bengal Community or BOBCOM are shining examples of India's new 'SAARC minus one' diplomacy. To ensure that the rest of South Asia and India move ahead, in May 2017, India resorted to stratospheric diplomacy and gifted its neighbours a SAARC satellite. To ensure that rest of South Asia continues to integrate, we have now started witnessing a new form of sub-regional cooperation. This will go a long way in reviving the SAARC once again. In 2019, China had proposed CSACF (China South Asia Cooperation Forum). It is a new regional cooperative forum that includes the states of South Asia. It is an alternative to SAARC, which has become almost defunct due to 'jhappi' and 'katti' oscillation of Pakistan's relationship with India. It is at this level where India needs to assert itself as a consensus builder and then position itself as a net security provider. India can make SAARC relevant again by following the ASEAN model. India can take the lead in two things. First, it can encourage SAARC states to meet informally. This will help in reduction of suspicion. Second, as in ASEEAN, a large economy such as Indonesia allowed a small country like Singapore to take lead; the same can be done by India. India can take a back seat and allow other SAARC members to build a harmonious process.

## COVID-19 DIPLOMACY AND SAARC

In 2020, during the outbreak of COVID-19, Indian Prime Minister resorted to a measure of imaginative diplomacy to leverage a crisis into a mechanism for regional cooperation, and decided to launch SAARC 2.0. The Prime Minister hosted the first ever Virtual SAARC Leaders Summit on 15th March 2020. All the participating nations decided to work together to tackle the virus by sharing their experiences and perspectives. They launched a SAARC COVID-19 Emergency Fund. The uniqueness of the fund was that it was not to be managed by SAARC Secretariat or any nation, but by the member states themselves, who would be responsible for disbursements on request from other member states. All the SAARC members, minus Pakistan, have reposed faith in jointly collaborating in tackling the virus. The Indian leadership has rightly put Pakistan in a serious dilemma because Pakistan had refused any cooperation with India since the abrogation of Article 370. The revival of SAARC 2.0 was an added constraint on Pakistani recourse to state-sponsored terrorism. India the first nation in the world to respond to the crisis beyond the national concerns as the Prime Minister rightly said that "region can respond best to corona virus by coming together, not growing apart".

## CAN COOPERATION IN ELECTRICITY DIPLOMACY BE A FUTURE TEMPLATE FOR SAARC?

The nation states of SAARC are witnessing rising demand of energy. Energy security means access of uninterrupted supplies of energy at an affordable price. Most of the member states are striving for energy security with the objective of providing electricity to the households. There are various challenges the states face. Firstly, the supply of electricity still remains poor in the region. Secondly, the public sector, which controls the distribution in South Asia, witnesses tremendous losses. Thirdly, the cross-subsidy strategy where different groups receive electricity at different prices has contributed to the rise of inefficiencies. The political factors and climate change have caused structural transitions in the electricity markets of South Asia. This is where SAARC comes in. The member states are blessed with renewable resources. The parties can establish generation and supply agreements. A macro level institution with stakeholders of all states can pool electricity sources and establish a common market. With rising stress of climate change and large sections of people in the member states in vulnerable category, SAARC can establish a market for renewable energy. It is time to revive the SAARC Framework Cooperation Agreement on Energy signed in 2014 and facilitate the establishment of cross-border electricity grids.



# SECTION 13

## INDIAN DIASPORA

- 1. Conceptual Paradigm of Diaspora Studies
- 2. Indian Diaspora Around the World: A Region-Specific Analysis

### AN OVERVIEW

Indian Diaspora is a part of the syllabus our syllabus but no questions have been asked till date.

**Potential foresight** With recent operations by India to rescue its diaspora from Ukraine and Africa, there could be a question on Indian diaspora in Europe, its profile and the doctrinal approaches of India to safeguard its diaspora. The content in this section will enable one to write answers.





# 1

## CHAPTER

# Conceptual Paradigm of Diaspora Studies

## CONCEPTS AND TERMS IN DIASPORA STUDIES

**Operation Vanilla** In January 2020, a cyclone hit Madagascar. The state instantly sought international mobilisation. The Indian Navy immediately responded with Humanitarian Assistance and Disaster Relief (HADR).

**Analysis** The assistance of India to Madagascar is in consonance with the Indian Navy's Foreign Cooperation initiatives in line with the Prime Minister's vision of 'Security and Growth for All in the Region (SAGAR)'.

**Operation Sahayata** In March 2019, a cyclone struck Mozambique. They requested India for help. India dispatched Naval ships with the needed relief and support.

**Analysis** The support that India provides largely helps to position itself as a Net Security Provider.

**Migration** means movement from one place to the other. It can also mean movement from one country to another.

**Immigration** is when a person comes to a foreign country as a permanent resident. **Emigration** is the act of settling in another country away from the home country. As per the Foreign Exchange Management Act, 1999, a **Non-Resident Indian (NRI)** is a person who has an Indian passport but stays outside India for business, employment, vocation for more than 182 days in a year. A **Person of Indian Origin (PIO)** is one whose parents or grandparents were Indian citizens by virtue of naturalisation. If an Indian citizen marries a foreign citizen, the foreign citizen married to the Indian citizen shall also be hold the status of a PIO. The indentured labourers taken by the British to foreign states from India settled in those lands and their offsprings in subsequent generations are now known as PIOs. If an NRI becomes a citizen of another country, he or she will hold the status of a PIO. A **Person Resident in India (PRI)** is an Indian citizen who is a citizen of India but may go abroad for a certain period for education purpose or medical treatments.

The entire phenomenon of human migration is presently captured in a term called 'Diaspora'. It originates from a Greek word that meant scattering or dispersion (of seeds). It was first used in sixth century BC to explain the Jewish exile from Babylon and later to describe the population of Jews living outside Palestine. Diaspora, therefore, signifies a movement and a spread of people outside their homeland. Earlier, such migration used to be in search of food, shelter and resources. In the post-World War II period, the migration was brought about with the movement of labour to the industrialised countries for jobs, and in search for better quality of life. The most recent trend of migration is influenced by globalisation and the demand of skilled expertise as well as large-scale political instability in certain regions of the world which occasions frequent refugee crises.







## HISTORICAL ANALYSIS OF THE INDIAN DIASPORA

The first ever recorded migration of Indians abroad is during the time of the Greek and Mesopotamian civilisations. In the second century AD, during the reign of Kanishka, a group of people migrated from India to Eastern Europe. During the Chola period, people from the Chola kingdom migrated to South East Asian states as they had a powerful navy. Many Indians began to settle soon in the regions comprising present-day Indonesia and Malaysia. During the British times began the first wave of migration, which is referred to as 'Old Diaspora'. In 1833, the British abolished slavery and initiated the indentured labour migration system from India to meet the labour demand. Under this system, the labourers would enter into a contract for five years to work in a plantation or a factory. They were paid in cash and kind. After the expiry of the five-year period, the labourers could either leave and go back home or initiate a fresh contract. If the labourer decided to go back home, then he or she would have to testify before a magistrate that they had indeed finished their existing contract.

From 1834 began the export of bonded labour from India to the African states. This was also replicated by the Dutch and the French, which in turn led to a mass movement of Indians to other nations. The workers from India were mostly taken for plantation work. The labour was taken mostly from Bihar and the United Province to Mauritius, Suriname, Trinidad and Tobago and Fiji. From Punjab and Gujarat, the labour was mostly sent to Guyana and East Africa. The indentured system was abolished in 1916. This old diaspora constituted 60% for the Indian diaspora abroad and was majorly a pre-World War II phenomenon. During the Indian National Movement, delegations of Congress leaders comprising C. F. Andrews, V. S. Srinivasa Shastri, H. N. Kunzru and Gopal Krishna Gokhale would travel abroad to check the conditions of Indian workers and used to bargain for better conditions for the workers.

A section in the Congress wanted to safeguard the economic interests of the Indian diaspora in Britain. During this period, there was mass mobilisation of the Indian diaspora in Mauritius and Fiji, and consequently, the Indian diaspora began to be absorbed in local governments of these states. In some countries, the sections of the Indian community also pushed for Indian Independence. In 1927, a foreign policy document prepared by Jawaharlal Nehru advocated that Indians in foreign countries should adapt themselves to local countries and not seek special positions or provisions for themselves. The core idea propounded by Nehru was that the Indian diaspora should cooperate with the natives and support the anti-colonial struggles of their host countries. Nehru advocated that the interests of the natives should be paramount during the process. The post-independence period witnessed the rise of a new wave of migration known as 'New Diaspora'. A lot of Indians in the second phase began to move to the USA, Britain, Australia, Canada and Western Europe. After the World War II, Britain had formed a commonwealth immigration policy whereby citizens of commonwealth nations could work and live in Britain. This led to the movement of lot of skilled workers and students from India, and other commonwealth states, to Britain. The period of the 1960s also witnessed phenomenon of double migration by the Indian diaspora. During this decade, many newly independent African states initiated policies that affected outsiders. In Kenya and Uganda, there were anti-Indian discriminatory campaigns and this led the Indians to migrate from Africa (as well as the Caribbeans and Fiji) to Europe, Australia and North America. In the 1970s, began a movement of the Indian diaspora to the Gulf states. This happened largely due to the oil boom which resulted in the movement of semi-skilled workers to the Gulf states to assist Arab citizens. However, the Indian diaspora in the Gulf enjoys the status of mere second-class citizens. In the post-1990s period, globalisation led to a software boom, leading the US to introduce the concept of H1-B visas. A US firm, under H1-B visas, could hire the citizen of a foreign state if the citizen had a special occupation and set of skills. The software boom led to a huge wave of Indians entering the US as highly skilled workers in the IT industry. Since independence, Nehru had been of the idea that if India supports the Indian diaspora abroad, it would lead to more harm than good for India. He deliberately favoured a policy of disassociation as he wanted the Indian diaspora to serve native interest in their respective host nations. India also followed a policy of dissociation during the



Nehruvian period because it lacked the infrastructure and resources to meet the concerns and address the issues of a diverse and expansive Indian diaspora abroad. The period from 1950s to 1960s witnessed a period of active dissociation. The core advice to the diaspora during this time was that they adapt to their host countries and become active agents of host countries. Nehru advised the Indian diaspora to identify themselves with the locals. Whenever the Indian diaspora was in crises, they failed to elicit help from the Indian government. Thus, the Nehruvian period witnessed the suppression, subjugation and even marginalisation of the Indian diaspora. The overall policy till 1962 was that the Indian diaspora should adjust to the countries they reside in, even at great cost to themselves. Post-1962, the policy towards Indian diaspora began to change. In 1964, during Indira Gandhi's tour of Africa, she did emphasise that the Indian diaspora be loyal to their local communities but also began to address the Indian diaspora as ambassadors of India. The policy of Indira Gandhi was showing a shift away from the Nehruvian policy of active dissociation. When Indira Gandhi became the Prime Minister in 1966, the shift from dissociation began to be visible as the Indian diaspora was gradually brought into the policy discourse. There was a further visible shift in the policy, in 1970s, when there was an oil boom in the Gulf. Due to this, a lot of low-income Indian workers began migrating to the Gulf to work in the oil services and construction sectors. These Indian expats began to send foreign remittances back home. The moment money started flowing to India, the government began to improve the banking system to ease out the repatriation of foreign exchange. The government also took up issues related to the welfare of the workers with host countries, primarily to protect the Indian workers from exploitation. In 1980s, the rise of IT-based diaspora that got fully established in 1990s in the USA, UK and Canada, also saw a rise in remittances back home. At the end of the Cold War, as India witnessed economic growth, it began to accept aid from the cash-rich NRIs abroad. The Indian government convinced the cash-rich NRIs to park their funds in branches of Indian banks abroad and rallied to have them invest their money in the industries in India. As India brought about structural reforms in the economy, the Indian diaspora too began to show faith in the future of the Indian economy, began to push their money into India. The government also embarked upon a proactive association with the diaspora abroad. The NRIs were allowed by the Narasimha Rao government to invest in stock markets and established industries. As India's priority was to usher in economic resurgence, the proactive diaspora policy began to focus more on the NRIs than on the old diaspora. The association with the old diaspora continued to be cultural in nature while with the new diaspora and the NRI, it became more economic and political. As the BJP government came in 1998, they brought about a radical rehaul in the diaspora policy. Their focus was now not only on transfer of investments and assets but also on using the diaspora as an instrument to make India a global power. The L. M. Singhvi committee was appointed during the BJP rule, which led to birth of a host of new initiatives of which the Pravasi Bharatiya Divas (PBD) and Pravasi Bharatiya Samman (PBS) were the most notable developments. The concept of PBD was launched in 2003 and has continued since then.

## CONCEPT OF PRAVASI BHARATIYA DIVAS

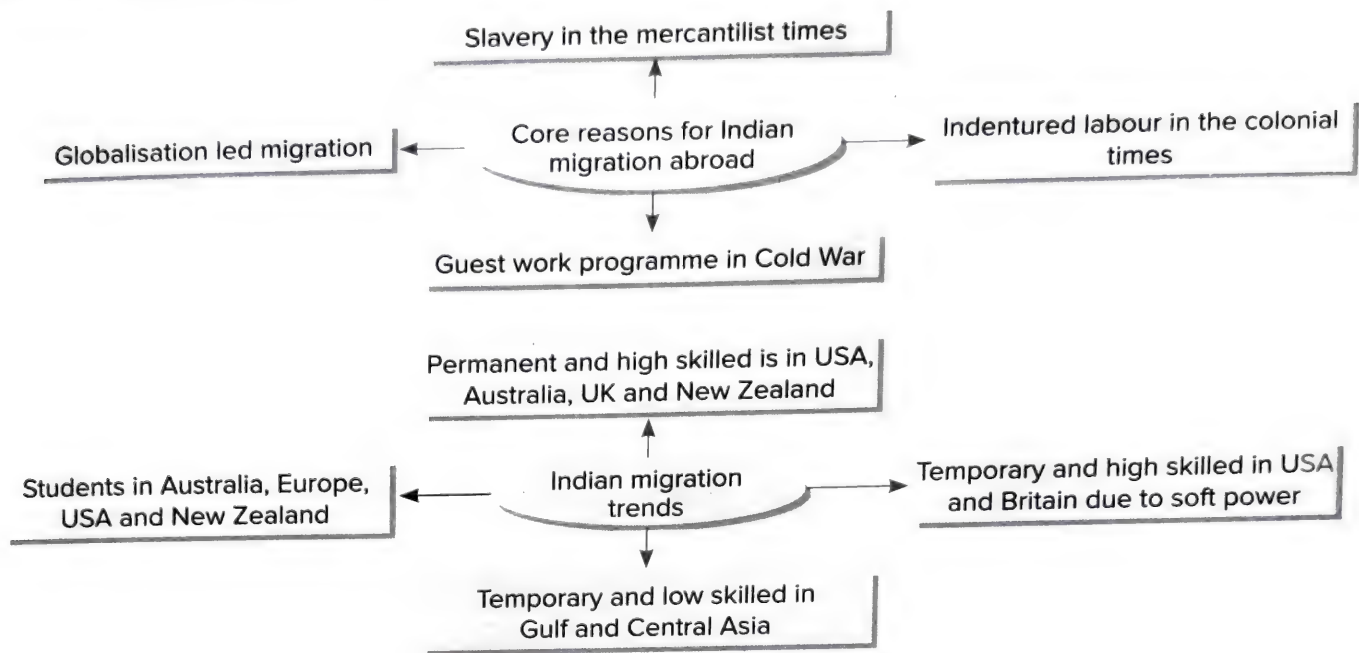
The PBD was launched in 2003 as a platform to appreciate the access of knowledge, skills and expertise of the Indian diaspora. India organises the PBD from 7 to 9 January, every year. The date selected is significant as it was the very same date in 1915 that Mahatma Gandhi returned to India from South Africa. For those who cannot attend the PBD, the government organises regional PBD in New York, Singapore, Hague, Durban, Mauritius, Toronto and Sydney.



The Pravasi Kaushal Vikas Yojana was launched by the government on the occasion of PBD in 2017. It is a scheme for skill development for youth who wish to seek jobs overseas. The aim is to provide the Indian youth with skills which are in demand abroad. Once trained, the youth would find it easy to migrate to another country where the skill gained is high in demand. The Visiting Advanced Joint Research (VAJRA) scheme was also launched. The aim of the scheme is to allow NRIs to participate in research in India. The Science and Engineering Research Board has implemented VAJRA. The PBD 2020 was held in New Delhi on 9th January 2020 in which External Affairs Minister interacted with diaspora in eight countries through Video Conference. The event was webcast live to all Indian Missions and Posts abroad. The



UPA government also initiated multiple policies for the Indian diaspora during their rule from 2004 to 2014. A new women's helpline, a legal helpline for the diaspora in distress and various MoUs to safeguard Indians abroad have been their initiatives. The coming of the new government in 2014 has brought the diaspora back to focus. The Modi government has gauged that the diaspora is an important tool for economic development and has an important role as international influencer. The Modi government has made the diaspora a key driver of the Indian foreign policy. The various chapters of this book leading up to this chapter have also elaborated upon Modi's diaspora policy. To recap quickly, Prime Minister Modi addresses the diaspora in foreign countries to inform them about the programmes in India where the diaspora can be a stakeholder in India's development story. He usually addresses the diaspora in a huge gathering to convey to the host countries that there is a sizable chunk of Indian population in most nations, and that they are taken care of, they will, in turn take care of the local politicians in the elections.



## BRAIN DRAIN IN MODERN TIMES IN INDIA

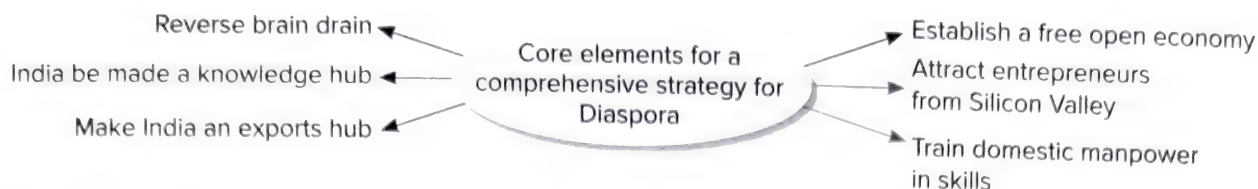
Brain drain happens when there is an abnormal one-way flow of highly skilled workers to the advanced nations in search of better paying jobs, eventually leading to their resettlement in those countries. India has witnessed it in the case of the USA where skilled IT workers go to work with firms and eventually settle there. It is a loss to the parent country. The brain drain is majorly applicable in case of engineers, medicine practitioners and scientists. In India, lack of jobs and a stimulating research culture has bolstered the brain drain. Though brain drain explains the interdependence of all societies, the home country suffers as the skilled workforce settles abroad in large numbers. For the host country, it is a brain gain.

## INDIAN DIASPORA—AN UNTAPPED ASSET GLOBALLY

The Indian diaspora has penetrated well into a range of countries with qualifications ranging from doctors, engineers to entrepreneurs. However, India has still not been able to capitalise upon this asset by taking advantage of the human and financial capabilities of the diaspora for the long-term development of India. The biggest area of our failure has been to create policies to halt the flow of spill workforce from India to other states. We have also not been to capitalise upon the diasporic workforce to make India into a global hub of knowledge that can act as a magnet for the diaspora of other nations. Our diaspora constitutes 2% of the total population but has a wealth approximately equal to one trillion dollars. It is this wealth that we tap for our domestic development. There is an immediate need of policy focus to attract the high achieving group of our diaspora. There is exodus of Indian students abroad for skill education. These students, post their education,



stay back and this causes further brain drain. India has to take steps to reverse the brain drain into a brain gain. There is immediate need to create an ecosystem in India where we are able to attract the diaspora of other states.

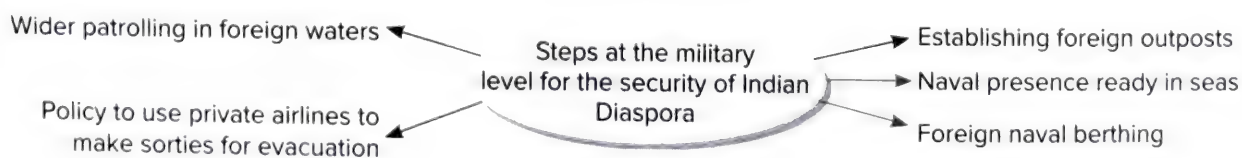


## ENSURING THE SECURITY OF THE INDIAN DIASPORA

India has always ensured that its expats in conflict zones are evacuated safely whenever the need be. The situation of Indians in Kuwait (1990), Lebanon (2011), Yemen (2015) and Sudan (2016) are a testimony of the fact. The Modi Government, as mentioned previously, has adopted a very aggressive diaspora policy. This government has not only ensured the evacuation of the citizens when in need, but has directed the officials of the Ministry of External Affairs to address issues of diaspora on priority.



Talking about NRI interests does not upset foreign states but speaking about the interests of ethnic Indians who are no longer Indian residents may be viewed by a foreign state as an intrusion. Immense care needs to be taken at this level because addressing such sections could lead to risks at the bilateral diplomatic level. In 2007, when Malaysia used strong-arm tactics on Indian minorities, many Indian politicians made critical comments, leading to an intense backlash from Malaysian politicians. The PIOs have lived in territories abroad for a long time but have still been unable to completely integrate with host nations, which are, in turn, struggling with accepting citizens from a non-Western country. The host nations are still making attempts to reconcile with their citizens' national identities. In such circumstances, the PIOs have to be exceedingly loyal to the states they reside in since any possibility of the PIOs displaying multiple loyalties could be detrimental to their own interests. For example, when PM Modi attended a public event in Singapore, the government of Singapore mandated that only NRIs attend the event and not ethnic Indians in Singapore. In recent times, the security of the diaspora is a concern. RAW collects intelligence upon potential threats to the diaspora abroad. To secure the diaspora, steps at the military level are also taken.





## RECENT OPERATIONS TO EVACUATE INDIAN CITIZENS ABROAD

**Operation Vande Bharat 2020 and Operation Samudra Setu 2020** These two operations were launched by the Indian government via air and water to evacuate its diaspora that had been stuck in different countries due to the outbreak of COVID-19. However, owing to slow, tardy and arbitrary responses of the government in the operations, the government came under severe criticism from the stranded Indians. The COVID-19 crisis clearly asserts that if government needs to emerge as an effective rescuer in the future, then there is a need for government to adopt a **citizen evacuation policy** at the earliest.

**Operation Sukoon** It was one of the largest evacuation operations done by the Indian Navy since World War II. In 2006, Hezbollah attacked Israelis by launching cross-border raids. The Lebanese demanded release of the Lebanese prisoners from Israel. Israel responded to the cross-border raids by launching a full-scale invasion of Lebanon. This led to the 2006 Lebanon war. Due to this, around 2200 Indians, Sri Lankans and Nepalis in Lebanon got affected. The Indian government directed its Navy to launch the evacuation. The Navy pressed into services INS Brahmaputra, INS Betwa, INS Shakti and INS Mumbai.

**Operation Safe Homecoming** It was launched in March 2011, to evacuate Indian citizens stranded in Libya during the Libyan civil war. The Indian Navy and Air Force worked jointly to establish an air and a sea bridge. Due to the Libyan crisis, around 18,000 Indians were affected. INS Mysore, INS Aditya and INS Jalashwa, along with Air India aircrafts, were pressed into service for citizen evacuation from Tripoli.

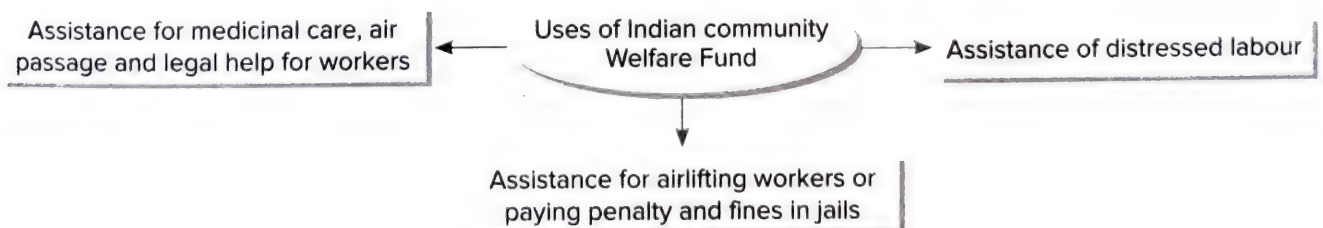
**Operation Raahat** In 2015, Saudi Arabia launched attacks on Houthi rebels in Yemen. As the hostilities intensified, the Indian government decided to evacuate around 5000 Indians trapped in Yemen. During the crises, Yemen became a no-fly zone. India used Djibouti to evacuate its citizens. The operation for evacuation began on 1 April and was successfully completed on 11 April 2015.

**Operation Sankat Mochan** In 2016, a hostile war broke out between Sudan and South Sudan. As a result, around 600 Indians in South Sudan and the Indians settled there got affected. The Indian Air Force was pressed into service to evacuate the Indians.

## RECENT SCHEMES, INITIATIVES AND PROGRAMMES FOR SAFEGUARDING THE INDIAN DIASPORA

**SWADES (Skilled Workers Arrival Database for Employment Support)** Because of COVID-19, a lot of Indians working in Gulf have come back. The government had created this database in 2020 that would capture the skill set of the workers and fed into a centralised database that would enable the Indian firms to access the skilled workers to assist in creating an Atmanirbhar Bharat.

**Indian Community Welfare Fund** This is a specialised fund established to assist workers in distress. The Indian Missions abroad will use the contingency fund for worker's welfare.



**Mahatma Gandhi Pravasi Suraksha Yojana** It was launched in 2012 to enable Indian workers to get life insurance. The scheme also encourages workers to save money for pension.



**Pravasi Bharatiya Bima Yojana** It is a compulsory insurance scheme for Indian workers with ECR (Emigration Check Required) stamped on passports.

**Know India Programme** It is a three-week programme for Indian expatriates in the age group of 18–26 years. One Indian state partners with the central government and the expatriate youths are introduced to Indian culture, education and so on. The youth is then made 'Youth Ambassadors' for Indian culture.

**Study India Programme** It aims to connect expatriate youth to educational institutions where the youth come to undertake short courses in India. The cost of the programme is borne by the Indian government along with 50% of the airfare of each participant.

**Scholarship Programme for Diaspora's Children** Under the scheme, there is provision for scholarship for engineering, law and science education for children of the Indian diaspora for higher education.

**Overseas India Youth Club** An initiative to keep the overseas youth in touch with the development of India by India Youth clubs abroad.

**Tracing Roots Scheme** Under this scheme, an Indian diaspora family can get its roots traced in any state in India on provision of paying a charge for the facility.

**E-Migrate** The Indian government has launched an online platform for foreign employers who wish to recruit Indian citizens. The foreign employees need to register in the online registration system as the registration once done shall be inspected by Indian missions abroad. The employers can use the platform to recruit Indian workers by giving them permits. The advantage of this system is that the worker will be informed about the terms and conditions online before employment.

**Madad** If Indian citizens living abroad wish to file any consular-related grievance, the new website launched by the Indian government called Madad may be used as a platform. The portal will act as a grievance redressal mechanism, allowing the Indian diaspora greater accessibility and reach. The authorities would now be more accountable and would have to resolve grievances more quickly and in a time-bound manner. The portal will use red, amber and green colours, signifying the official stand on the complaints.





# 2

## CHAPTER

# Indian Diaspora Around the World: A Region-Specific Analysis

## INDIAN DIASPORA IN AFRICA

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There exists a considerably large Indian diaspora in Africa, with most of it settled in Mauritius. Most of the Indians had reached Africa under the Indentured Labour System. Indians were taken to work in forests in East Africa to lay down railway lines. A lot of migrant Indians were also free passengers who were mainly traders from the West coast of India, especially Gujarat. The Indians faced difficulties in Kenya and South Africa and the Indian government did attempt to provide covert and overt support to the Indian diaspora whenever needed. In 1946, when South Africa had initiated segregation and discrimination of Indians, the Indian government took up the matter at the level of UN not just for Indians who were discriminated against, but for all communities that became victims of racial discrimination. Jawaharlal Nehru, in other parts of Africa, recommended integration of the Indian diaspora with the African cause but maintained a different policy towards the Indian diaspora in South Africa where there was outright support. With reference to South Africa, India tried to merge the issue of apartheid and Indian discrimination. India, post-independence, solicited economic support from all sources except South Africa, and Nehru decided to break up diplomatic ties with the former over racial discrimination. In East Africa, the Indian diaspora had visibility since ancient times. As the Indian diaspora in East Africa mainly comprised of trading community, it was visibly a rich diaspora. During colonial times, the British followed a nativity policy, thereby debarring the PIOs from any form of power sharing. In 1967, the government in Kenya initiated a process of Kenyanisation of the economy which affected the Indians as well. The Indian government encouraged the Indians in Kenya to apply for local citizenships. The government instructed the Indian diplomats stationed in Kenya to help PIOs get integrated, to which the Indian diaspora in Kenya showed a lukewarm response. The government launched an Africa-India development cooperation to help the Indian community in Kenya get economic support. India also faced a similar issue when Idi Amin, the third president of Uganda decided to outlaw outsiders from Uganda. Amin gave a 90-day ultimatum period for the outsiders to leave during his ongoing war of liberation. India, by diplomatically taking up the issue with Idi Amin, ensured that the Indian settlers with Indian passports would be given compensation for their business and properties held in Uganda. In Mauritius, the Indian diaspora is a majority. Since independence till today, India has used the Indian diaspora in Africa as its goodwill ambassadors.

## INDIAN DIASPORA IN SOUTH EAST ASIA

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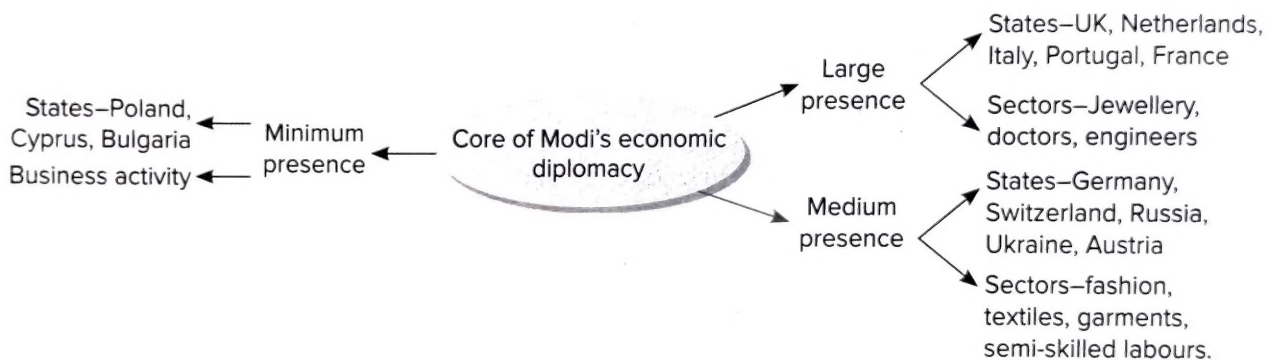
The Indian diaspora is well represented in Singapore, Thailand and Philippines. The Indian diaspora in South East Asia (SEA) comprises NRIs, PIOs and stateless Indians. Some are affluent while others are striving for affluence. The local leaders of ASEAN states trust the Indian diaspora, thereby ensuring that the community plays a positive role in the development of SEA. In the chapter entitled 'India and South East Asia Policy—Key Drivers', we have discussed about the eviction of Indians belonging to the Chettiar community from Burma. As more Indians were evicted, the space was filled by the Chinese migrants. The inaction of India in Burma, which stands in complete contrast with the proactive stance of India in case of Sri Lanka, also became counterproductive. In the post-Cold War period, India brought about a shift in its Indian diaspora policy in SEA. India realised that its diaspora in Singapore, Thailand and Malaysia, is placed in strategic sectors



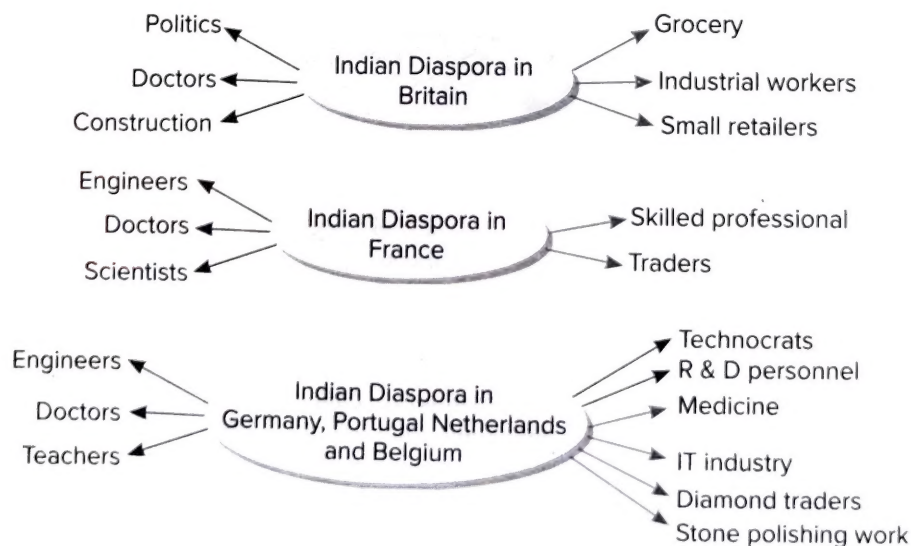
such as trade, investments, engineering and textiles. The Sindhi community, in Philippines, is dominant in manufacturing while Punjabis are dominant in money lending. Singapore has a mixture of Tamils, Malayalis, Gujaratis and Punjabis who range from being in trade to civil services to education to pharmacy. The Sikhs and Sindhis are dominant in Thailand in textiles, IT and real estate.

## INDIAN DIASPORA IN EUROPE

Import of spices, ivory and so forth, via other countries, do find a mention in the Old Testament of the Bible. King Solomon was gifted many spices by the Queen of Sheba from India. There is evidence of the *Panchatantra* being translated in the 6th century BC, in Latin, Spanish and Italian. India came in contact with Europe during the 15th century, when trade was undertaken via the sea route. Vasco da Gama was a Portuguese explorer and the first European to reach India by sea. His initial voyage to India (1497–1499) was the first to link Europe and Asia by an ocean route, connecting the Atlantic and the Indian oceans and therefore, the West and the Orient. Vasco da Gama's discovery of the sea route to India was significant and opened the way for an age of global imperialism and for the Portuguese to establish a long-lasting colonial empire in Asia. The Portuguese used the ocean route to avoid sailing across the highly disputed Mediterranean and traversing the dangerous Arabian Peninsula. The sum of the distances covered in the outward and return voyages made this expedition the longest ocean voyage ever made until then, far longer than a full voyage around the world by way of the Equator. With the advent of the colonial era, the Indian movement to Europe saw an upswing. In the initial year of the Cold War, the aggressive nationalism in Africa led to the migration of Indians to European states. The Indian diaspora in Europe amounts to nearly 8% of the total population of Europe with majority of it concentrated in Britain.



The Indian diaspora in European Union settled close to the capital cities and industrial towns than in the hinterland. After World War II, another wave of professionals working in IT, construction, medicine and engineering migrated to Europe. In 1990s, the European Union imposed restrictions leading to the entry of only teachers, nurses and scientists. From early 2000s, the migration of IT professionals has again been on the rise in Britain.





## INDIAN DIASPORA IN NORTH AMERICA

There is a strong Indian diaspora in Canada, in Toronto and Vancouver. The Indian diaspora in Canada is majorly the Sikh population. The Sikhs in Canada consider the non-Sikh Indian community in Canada as outsiders, asserting the religious–regional bias. The Indian diaspora in Canada is politically influential as they have strong presence in the political and bureaucratic setup. In the USA, the Indian diaspora is composed mainly of the educated and professional class. The presence of the Indian diaspora in the USA has increased from 1970s, when amendments were made to local laws allowing entry of trained skilled personnel. A scholar named Jenson has argued that the migration of skilled workers to the USA has led to a brain drain in India. In 1990s, there were more amendments in the US laws allowing the US firms to build up human capital capabilities of the USA and this gave the US firms an option to open up the US labour market for Indians. The H1-B, a non-immigrant visa, also facilitated the transfer. Indian immigration to the US has been majorly in the professional category, including executives, administrators and managerial staff. Ethnic balancing of the population is, however, a concern that, at times, leads to hate crimes against Indian diaspora.

## THE DIASPORA IN AUSTRALIA, NEW ZEALAND AND FIJI

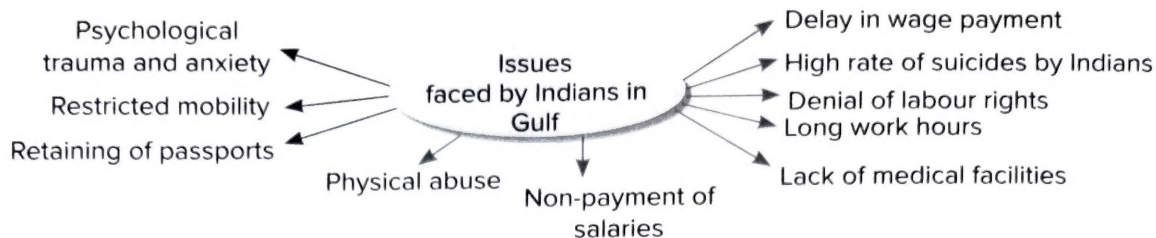
Australia, an island continent and a former British penal colony, shares the shores of Indian Ocean with India and acts as a bridge in the movement of people. In the 18th century, Indians began to migrate to Australia, which was then known as 'New Holland'. Later, traders from Gujarat, Sindh and Punjab also landed up in Australia. A lot of Anglo-Indians in the post-1947 period had settled in Australia. In 1958, the Migration Act allowed settlement rights to Anglo-Indians from India to Australia. The Indian diaspora is largely involved in sugar plantations, taxi driving and security. These days, the number of members of the Indian diaspora working in IT, health, medicine and academics is also on the rise. In New Zealand, in the 20th century, a considerable number of Indians worked as halal slaughterers in the meat packaging industry. Presently, New Zealand has a skilled diaspora of professionals, doctors, geologists and academicians. The Indian diaspora in New Zealand is settled mainly in Auckland and Wellington. In 1879, the indentured labours were taken by British to work as coolie in the sugar and cotton plantations of Fiji. Later, Gujarati traders began trading cotton cloth while the Punjabis, began work in transport and money lending. In 1970, when Fiji gained independence, the Indians in Fiji accepted Fijian nationality. In the present day, Indians dominate the political system of Fiji and contribute to national development.

## INDIAN DIASPORA IN WEST ASIA

India–West Asia relations go back to the ancient times that led to the birth of trade and cultural ties. The presence of Indians in the Gulf goes back to pre-Islamic times. During the medieval times, the merchants from India traded with the Gulf. In the 17th and 18th century, India traded with Iran through the land route. The trade extended up to Central Asia. The coming of the British in India saw a large number of Indians settling down in the Gulf region, especially in Muscat and Bahrain (due to a thriving pearl fishing industry). In the 19th and 20th century, pearl finishing was a dominant activity but when it gradually declined, Indians shifted to general trade and goods in ports from India and Europe. Since the discovery of oil, Indians have been actively working in the oil sector. The oil boom of the 1970s led to another major flow of migrant Indians to join the oil sector in the Gulf. As the political conditions of the Gulf witnessed a swing from 1990 to 1998, there was a general decline in number of Indians in the Gulf. About 70% of the Indian diaspora in Gulf is from Karnataka, Andhra Pradesh, Telangana and Tamil Nadu. Indian diaspora is also present in Israel and they are in agriculture work. Because of COVID-19, a lot of Indians working outside the country had to come back.







## INDIAN DIASPORA IN THE CARIBBEAN ISLANDS

The islands from Mexico to Panama are known as Caribbean islands. Initially, the islands were under Spanish control. The Spanish were ruthless and were mainly interested in draining the resources of the area. The major economic activity in the area was plantation work and slavery was therefore quite rampant. The Indians were taken to the Caribbeans as part of the indentured labour system. As the islands gained independence from their colonial masters, the region became a strategic backyard for the USA, leading to a transformation of the region's economy from plantation work to industrialisation. As the nature of the society began to witness change, the Indian diaspora also evolved and began to adapt to a new, modern way of life. The Indian diaspora realised the significance of education and educated the younger generations. The period from 1880 to 1914 saw multiple strikes by Indian plantation workers, leading to an assertion of their identity and thereby giving birth to a new kind of political activism by the Indian diaspora.

